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## Africa South of the Sahara

# Current History

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# Coming Next Month

# NORTH AFRICA

## May, 1985

United States military and economic relations with North Africa, the drought in Chad and Ethiopia, and the Western Sahara dispute are among the topics discussed in our May issue. Articles include:

**United States Policy toward North Africa**
by John Damis, Portland State University, Oregon

**Libya**
by Lisa Anderson, Harvard University

**Ethiopia**
by Peter Schwab, State University of New York, Purchase

**Algeria**
by Robert Mortimer, Haverford College

**The Sudan**
by Scott Jacobs, The Graduate College, Princeton University

**Chad**
by Alex Rondos, Center for Development Policy, Washington, D.C.

**Morocco and the Western Sahara**
by William Lewis, George Washington University

**Tunisia**
by Mark Tessler, University of Wisconsin



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Current History

APRIL, 1985 VOL. 84, NO. 501

*The nations of Africa south of the Sahara continue to struggle with economic and political problems. What are the root causes of these difficulties? According to our lead article, "Africans themselves are largely responsible . . . . The impact of inefficient policies and poor management . . . is magnified by the pervasiveness of [government intervention] . . . in capitalist-oriented as well as socialist-oriented African countries. . . .*



# Africa's Development Challenges

BY CAROL LANCASTER
*Director, African Studies Program, Georgetown University*

THE devastating droughts in Ethiopia, the Sahel and parts of southern Africa have focused the world's attention on problems of starvation in Africa. These droughts are, however, only the most visible manifestation of the much broader economic crisis currently facing the continent.

For those concerned about development, sub-Saharan Africa represents the major global challenge today, and it is likely to remain so for the foreseeable future. African countries are among the poorest in the world. In 1982, of the 34 countries with per capita annual incomes below $400, 21 were African. Only three African countries (Mauritius, Congo and Gabon) had annual per capita incomes over $1,000. At the same time, rates of population growth on the continent are the highest in the world and continue to accelerate.

Not only are many African countries among the world's poorest—they also have the worst economic performance over the past decade and the gloomiest prospects for the immediate future. Of the 30 African countries listed in the World Bank's *World Development Report* in 1984, 12 had per capita annual growth rates of two percent or less between 1960 and 1982 and 9 suffered actual decreases in per capita income. The average growth in per capita income for all poor countries during the same period was above three percent.

Other indications of faltering economic performance include a marked slowdown in the rate of growth of agricultural production, from which most Africans earn their living. After expanding at roughly the same rate as the population in the 1960's, increases in agricultural output in Africa dropped to half the population growth rate of the 1970's. The downward trend in per capita agricultural production, exacerbated by recent droughts, has forced governments to spend an increasing amount of their scarce foreign exchange on food imports.

Prospects for recovery and growth in Africa in the near future are not reassuring. A recent World Bank report on African economic problems projects a continued decline in per capita incomes for the next decade. Africa's disappointing performance over the past decade and discouraging future prospects have prompted Africans and foreigners alike to echo the lament of Adebeyo Adedeji, executive director of the Economic Commission for Africa: "How have we come to this sorry state of affairs in the post-independence years which seemed at the beginning to have held so much promise?"

There is little disagreement on the broad answers to this question. Africans themselves are largely responsible for the economic policies that have discouraged growth and for the poor management of economic resources that has resulted in widespread waste and corruption. The impact of inefficient policies and poor management on national economic performance is magnified by the pervasive intervention of African governments in their economies. In capitalist-oriented as well as socialist-oriented African countries, from the Ivory Coast and Kenya to Tanzania and Benin, governments provide a major source of nonagricultural employment. Through many parastatals (quasi-independent government organizations), governments regulate or produce a variety of goods and services like transport, banking, the purchase of agricultural products or the distribution of agricultural inputs. Governments have also imposed extensive controls on internal as well as international trade, investment and other economic activities.

Some of the parastatals and controls were inherited from colonial days. Others were set up by newly independent governments that were in a hurry to develop and believed that the state was the most appropriate vehicle to ensure rapid and equitable growth. In many countries, however, the dreams of rapid development proved to be

illusions. Development strategies, like rapid collectivization and modernization of farming, often failed because of lack of technologies appropriate to the African environment and because of the resistance of peasants to forced change. Import-substituting industrialization also proved to be a dead-end, because many African-produced manufactured goods were too costly to compete in world markets.

In many African countries, economic policies and controls have been used for purposes that have nothing to do with development. Rather, such policies aim to maintain the political position of leaders and, sometimes, to enhance their personal incomes. Thus, financial surpluses from agricultural marketing boards have often been diverted from reinvestment in agricultural production and have been used instead to fund political parties. Agricultural prices have been set low to benefit urban consumers but have discouraged any expansion in production. Government parastatals have been used to provide employment for recent graduates even if there are no jobs to be done. Decisions on the type and location of major investments have frequently been based on considerations of patronage or the desire of political leaders to create the symbols of nationhood and modernization, like steel mills and lavish public or modern airports. The litany of inefficient resource use is long.

Real advances have been made since independence in most countries in such areas as the provision of educational and health services, and these are reflected in significant improvements in literacy rates and life expectancy. However, even these achievements are becoming difficult to maintain, because they must be funded by government but rarely provide revenues to government. As economic conditions have worsened, financially strapped governments have been forced to limit the growth of social services (despite rising demands from a rapidly growing and urbanizing population) and sometimes they have reduced funding for these services.

To add to the problems that Africans have made for themselves are the economic problems Africans have suffered as a result of conditions beyond their borders and their control. African countries have been the victims of one of the most unstable and unfavorable international economic environments since the 1930's. Since 1973, prices for the primary products on which they depend for export earnings have fluctuated violently and have finally collapsed to their lowest real level since World War II. Prices for their imports rose dramatically during the same period. Petroleum prices have increased by 600 percent and prices for manufactured goods have kept pace with the high rates of inflation in developed countries. In short, the terms of trade of most African countries turned sharply against them during the past decade.

At first, the inflow of concessional assistance and commercial loans to the African countries helped offset the economic impact of the deterioration in their external situation. But in recent years, concessional assistance has stagnated and commercial loans have dried up. As a result, Africans have had to compress their imports; they have consequently suffered severe shortages in raw materials, spare parts and the other inputs necessary to maintain production in industry and modern agriculture. Industries in Africa today are often producing at 20 percent of capacity or less. The drop in production has also resulted in a decrease in exports and has further exacerbated balance of payments problems.

Another unfortunate result of the current squeeze on imports is the deterioration in economic assets in many countries. Roads are not maintained and often become dangerous or impassable; and communications facilities deteriorate. As these problems get worse, the cost of recovery climbs.

The ongoing debate on which of Africa's current problems is more important—internal policy failures or the external environment—in any case is not really relevant. The real challenges facing Africans and concerned foreigners involve those steps that must be taken if Africa is to recover from the current crisis and resume its growth.

A critical first step involves policy reform. Africans must reform their economic policies and institutions to make them more efficient in the use of scarce resources to promote growth. African leaders have long recognized the shortcomings of their economic policies and management and have begun to make changes, often with the support of international financial institutions, like the International Monetary Fund or the World Bank, as well as bilateral aid donors. Between January, 1983, and August, 1984, 15 African countries devalued their currencies, 16 substantially increased food prices, and 16 have tried to reduce government expenditures and increase taxes. (Some countries have undertaken a combination of these and other reform measures.) Countries undertaking policy reforms include capitalist Kenya as well as socialist Tanzania.

While many African leaders are looking for ways to manage their resources better and are experimenting with more market-oriented policies, there are several unresolved issues in the movement toward policy reform. First, what kind of reform and what pace of reform are necessary to ensure the improved efficiency of resource use? There is much debate on these points among Africans and between Africans and foreign donors. Most of the reforms thus far undertaken involve adjustments in policies, expanded training, or improved management techniques. While these changes are important, it is not clear that they will be adequate.

For farmers, the advantages of rising food prices have often been eroded by increases in the costs of agricultural inputs, the inability of government agencies to deliver needed inputs or sometimes even to make good on prices guaranteed to farmers for their produce. Foreign aid donors and, increasingly, some African leaders believe that African governments must reduce their role in their economies if resource use is to be more efficient and that

private entrepreneurs will do a better job in providing goods and services in areas like transport, food procurement and distribution, and banking.

Africans have been ambivalent about reducing the role of government in their economies in favor of the private sector. Even Marxists like Mozambican President Samora Machel have called for a larger role for domestic and foreign private investment, yet African leaders have often been hesitant to eliminate government controls or institutions. It is not hard to understand why. Many Africans remain wary of the private sector, fearing that private businessmen will corner markets, exact monopoly profits and, possibly, become political powers in their own right. Further exacerbating these fears is the possibility that particular ethnic groups, like the Asians in East Africa or the Lebanese in West Africa, will enjoy more than their share of business success, and so exacerbate ethnic tensions. Experience suggests that these fears may not be groundless. Government leaders may also be reluctant to relax government controls on resources for fear that they may provoke resistance from powerful groups or individuals who are benefiting from those controls or that they may reduce the leaders' own abilities to maintain regime support (and sometimes their personal incomes).

A second and related issue involves the role of foreign donors in the policy reform movement. Increasingly, the International Monetary Fund (IMF), the World Bank and bilateral donors like the United States, the United Kingdom and West Germany have emphasized the importance of policy reform and have conditioned their loans and grants on such reform.

Since 1981, IMF aid conditions appear to have been increased and tightened. The World Bank has introduced "structural adjustment lending" into Africa, providing sizable loans disbursed over a period of five to six years in exchange for policy reforms, including a reduction of government's role in food marketing, increases in agricultural producer prices, adjustments in petroleum or other import prices to reflect world market conditions and improvements in the operation of parastatals. The World Bank also provides sector loans, which are conditioned on policy changes affecting particular sectors. And currently, the Bank is seeking to establish a special $1 billion fund for additional policy-based lending in Africa. In recent years, the United States has also placed increasing emphasis on policy reform and has sought funding from Congress for a $500-million Economic Policy Initiative to support governments undertaking needed reforms. (Thus far, Congress has not endorsed the initiative as a whole but has appropriated the first $75 million requested.)

#### POLICY-BASED LENDING

The involvement of the IMF and, increasingly, of aid donors in influencing the pace and direction of change in African economies raises a question. Should these institutions set any conditions at all on their loans to Africa? This issue has been raised by conservatives who ask why, in effect, Africans should be paid to undertake policy reforms that are in their own best interests. Others, sensitive to any foreign intervention in the continent, object to such conditions as representing the "re-colonization" of Africa.

These arguments are both unrealistic. Donors have always tied their aid to conditions and Africans have always had the option of rejecting those conditions and the aid associated with them. What is really at stake in the policy reform movement is the degree of intervention by donors and their ability to prescribe changes in African economies that will be effective and workable in improving the efficiency of resource use. The policy reform movement is distinguished from earlier aid conditioning in the scope of its intervention. It involves shifting economic resources and, by implication, political power among groups in African societies.

Such shifts may be necessary if economies are to function more efficiently, but are donors equipped to identify effective and workable changes? The level of economic expertise in United States development operations in Africa is low. There are only nine economists employed by the Agency for International Development in Africa and there are 10 in Washington working on African issues. The World Bank and the IMF do not lack economists and technical experts. But their reliance on periodic missions rather than on a staff resident in each country raises questions about their knowledge of the political and social conditions in which inefficient economic policies may be embedded and which will affect the effectiveness of reform.

Policy reform may be necessary but it is not sufficient to ensure economic recovery and growth in Africa. African governments need additional resources to finance the import of spare parts, raw materials and investment goods that will stimulate recovery. Additional resources could come from any of three principal sources: increases in commodity prices; increases in commercial lending or private investment; or increases in foreign aid. The prospects for substantial amounts of additional resources from any of these sources are exceedingly poor. Commodity prices for the most part remain low and many have declined over the past year. They are not expected to improve significantly in the near future. Commercial lending or private investment is unlikely to rise, because repayment prospects are so poor in African countries. And concessional aid is stagnant.

Indeed, the major source of aid to Africa, the International Development Association (IDA), the soft-loan window of the World Bank, may have to reduce its lending to the continent because of the 25 percent fall in the level of its recent replenishment, from $12 billion for its sixth replenishment to $9 billion for the current seventh replenishment. Major competitors for the $9 billion, in addition to sub-Saharan African countries, are China, which recently joined the World Bank, and other

large countries like India and Bangladesh. The level of the seventh replenishment fell largely as a result of a reduction in the United States contribution to IDA, a reflection of the hostility of key officials in the Reagan administration to multilateral development institutions and their preferences for bilateral aid.

While resource inflows are stagnant for many African countries, outflows in the form of debt servicing are rising. Extensive commercial borrowing by a number of African countries in the 1970's—Zaire, Zambia, the Ivory Coast, the Sudan and, more recently, Nigeria—has left them with debt burdens (relative to the size of their economies) as heavy as those of Brazil or Mexico. Not surprisingly, they have found it impossible to service these debts. By the end of 1984, 15 African countries had rescheduled their debts.

But for many countries, rescheduling has provided only temporary relief. Until recently, creditors would only reschedule debt one year at a time. With financial conditions in most of Africa continuing to deteriorate, African countries have had to seek successive reschedulings. The repeated annual meetings of the Paris Club (to reschedule public debts) and the London Club (to reschedule private debts) have proved to be a drain on the time and energy of creditors and debtors alike. The recent multiyear rescheduling for the Sudan may signal a move toward a more efficient and realistic approach to rescheduling African debt.

Creditors are beginning to become concerned with another problem related to African debt. Even with reschedulings, in the next few years there will likely be net resource flows from African countries to their creditors. This means that even those countries undertaking stringent austerity measures or fundamental policy reforms, like Zambia, face the prospect of negative per capita growth for the next five years or more.

The negative resource flows also raise the possibility of widespread default. In recent years, 28 African countries have negotiated standby agreements with the IMF. In the past, countries have drawn on IMF resources for periods of one to three years while they attempted to restore equilibrium in their balance of payments. In Africa, however, most countries have returned year after year to IMF for standbys. Repayments of IMF loans usually extend over five years. The burden of repayment is eased if countries can increase the size of their successive loans. However, African borrowers have begun to approach the limits of their abilities to borrow from the Fund.

It is expected that over the next several years, major African borrowers from the Fund will have to pay more back than they will receive. Countries will not be able to reschedule their debts to the Fund since neither the Fund nor the World Bank permits a rescheduling in its debts. If a country falls into arrears with either institution, all disbursements on existing loans from that institution will be discontinued. The Fund will not even send a mission to negotiate a new agreement until the arrears have been paid. There is already one African country—the Sudan—in serious arrears to the Fund and with no immediate prospect of eliminating its back payments.

What appears to be worrying United States officials, the World Bank and the IMF at present is that other Sudans may appear in the near future. Faced with extreme financial pressure and with the prospect of paying out more foreign exchange to the Fund than they can receive, governments may decide that there is relatively little to lose from discontinuing payments.

In short, if the prospect of net negative resource flows from African countries to the Fund or to other creditors becomes a reality, the incentives for Africans to attempt to service their debts will diminish, and a widespread repudiation of debt is not inconceivable.

### THE TRADE DEBATE

There is considerable debate surrounding the role trade should play in future growth strategies in Africa. In political circles in Africa and abroad, there has been much discussion of the need for self-reliant development. There is sometimes an emotional tone to these discussions which suggests that African countries, having been seriously disadvantaged by their weak role in the world economy, should somehow withdraw and rely on their own resources to develop. Such a course would mean an extraordinary reduction in the standard of living of Africans in any country that tried to follow this path, because initially at least Africans would be able to consume only that which they produced themselves. They would have few consumer durables, no modern medicines, no cars, trucks, airplanes, telephones and, in many countries, far less food. No African leader can seriously consider such an option, whatever the rhetoric of self-reliance.

More recently, emphasis has been placed on collective self-reliance, which implicitly recognizes the inevitability of trade in Africa's future growth. This approach is contained in the Lagos Plan of Action, signed by African heads of state at the meeting of the Organization of African Unity (OAU) in Lagos, Nigeria, in 1980. The Lagos Plan is really a strategy of import substitution on a continental scale. African countries must industrialize; but many small, resource-poor countries have limited abilities to do so alone. Thus, African governments are encouraged to create larger, more diversified markets through economic integration on a regional basis.

In light of the African experience thus far at forming workable economic unions, the strategy of collective self-reliance appears unrealistic. Perhaps the best known of these unions, the East African Economic Community, comprised of Kenya, Uganda and Tanzania, fell apart in 1977 as a result of disputes over the distribution of the benefits of the union. (Incompatibilities over ideology, economic structure and monetary policies and the rule of Idi Amin in Uganda also played a role.) The Economic Community of West African States (ECOWAS), established in 1972 with 16 Western African states as mem-

bers, has yet to show any significant progress toward union. And the Preferential Trade Association (PTA) established in 1984 with 12 members from east and southern Africa, is off to a slow start. The only successful economic unions are the Union Monétaire Ouest Africaine (UMOA), the Comunauté Économique d'Afrique de l'Ouest (CEAO), and the Union Douanière et Économique de l'Afrique Centrale (UDEAC) between Francophone West and Central African countries and France; and the South African Customs Union, comprised of South Africa, Botswana, Lesotho and Swaziland. These groupings have been in existence since before independence and each has had a strong, wealthy country committed to its continued operation.

A new trade strategy for Africa that is much debated today is recommended in the 1981 World Bank report, *Accelerated Development in Sub-Saharan Africa*. African governments are advised to expand their production and export of traditional commodities, particularly agricultural products, in the medium term while exploring long-term alternatives. This approach would exploit the comparative advantages of African producers today, would expand the income of farmers, and would be relatively easy to implement, given the experience of Africans in producing such goods. As part of this strategy, governments would have to liberalize trade to encourage exports.

A number of Africans have objected to this approach as consigning them indefinitely to relative poverty as the world's hewers of wood and drawers of water. They have also criticized the proposal for tending to make them more rather than less dependent on a world economy where they feel especially disadvantaged. Africans and others have also pointed out that if all primary producers followed the advice in the report, supplies of primary products would expand substantially and prices would fall. In the end, primary producers would suffer.

There is some merit in these criticisms. However, in the absence of effective economic integration, most of Africa appears to have little alternative; African countries must expand exports in order to grow. In the medium term, they will have to rely on their traditional exports but in the longer run, they will be able to produce and export processed goods, semimanufactures and light industrial products. They will need to find the investment to finance the development of these industries. Here we return to the issue of policy reform. In order to mobilize their own domestic savings and invest them efficiently and in order to attract foreign investment, African governments will have to provide some assurance that investments will be safe from sudden changes in government policies, and that domestic and foreign investors will be allowed to earn and foreigners to remit profits.

If trade offers uncertain prospects, so does agriculture. There is a general consensus among Africans and foreign development specialists that agricultural production must expand more rapidly if growth is to be sustained, if the standard of living for the majority of Africans is to improve and if the cost of food imports is to stabilize. Here again, policy reforms are necessary, but they are not sufficient to support more rapid agricultural development. Much of African agriculture is based on a system of shifting cultivation. African men and women, mainly using hand tools, clear the land and cultivate their crops until yields begin to decline. Typically, they then clear and cultivate other areas, leaving the original fields to regain their fertility by remaining fallow or returning to bush for periods of up to 20 or 25 years. Because rapid population growth has put pressure on the availability of usable land, fallow periods have shortened, marginal lands have been brought into cultivation, and yields have begun to decline.

The long-run challenge facing African agriculture is to find ways of making land and labor more productive. Facilities for agricultural education, research and extension, which are rudimentary in most countries, must be expanded. Viable technical packages of inputs that would permit substantial increases in production must be developed and delivered to farmers. The Green Revolution technologies of improved seeds, fertilizer and water control that have so benefited Asian and Latin American farmers have had little to offer Africa, which has very different soil and weather conditions.

Agricultural research on farming techniques and on improved crops may hold the key to the long-run expansion in African agriculture. However, in light of the great diversity of soil and climatic conditions on the continent and the weakness of agricultural research and extension, it will probably take years of commitment to research by donors and Africans to bear significant fruit.

The solutions to Africa's current economic crisis as well as its long-term development problems lie primarily with the Africans themselves. However, foreign governments can make a substantial contribution. And the United States inevitably can play a key leadership role in how foreign governments and international institutions assist Africans.

### THE ROLE OF THE UNITED STATES

The United States response to Africa's economic crises has been marked by contradictory policies, reflecting the low priority of Africa in United States foreign policy generally and the strong emphasis in the Reagan administration on promoting United States political and security interests in Africa and the consequent downplaying of policies aimed at supporting development.

While the United States is not the major bilateral aid donor to Africa, it provides substantial amounts of aid.

*(Continued on page 183)*

**Carol Lancaster** was deputy assistant secretary of state for Africa in President Jimmy Carter's administration, a member of the Policy Planning Staff of the Department of State, and a Congressional Fellow.

*"If peace has come to southern Africa, it is an imposed peace, a regional Pax Pretoriana based on strength and coercion. . . . South Africa dominates the region, having bent its neighbors to its will. . . . Still, the peace that [South Africa] celebrates is fragile. . . . Governments compelled to humble themselves are not about to forget their humiliation."*

# Pax Pretoriana: South Africa's Regional Policy

BY KENNETH W. GRUNDY
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SOUTH Africa's Pact of Nonaggression with Mozambique was signed at the border town of Nkomati on March 16, 1984.[1] Reportedly it was as psychologically and politically shattering for southern Africa as Egypt's pact with Israel was for the Middle East.[2] Two implacable foes agreed not to attack one another and to halt their aid to the dissident groups that each harbored against the other.

For South Africa, the Nkomati Accord is only the most visible feature of a diplomatic offensive that involves all the governments in the region. What are the reasons for South Africa's apparent about-face? Has the face of southern Africa been significantly changed or will Nkomati be like Camp David, a symbolic accommodation amid insoluble conflicts of prejudice and interest?

From 1975 until 1983, but especially in the last three years of that period, South African policy in southern Africa was pugnacious and militaristic. In a word, South Africa tried to destabilize neighboring governments to force them to forsake forces antagonistic to the white minority government in Pretoria. The diplomatic picture leading up to Nkomati and the other agreements was confusing, even contradictory. In the midst of violent incursions there were tentative overtures toward talks, behind-the-scenes negotiations and gestures of conciliation. By and large, however, Pretoria's thrust was uncompromising, and black governments were made to bend.

There is substantial evidence, occasionally circumstantial but generally more direct, that South Africa pursued policies designed to subvert the governments and to engage them militarily in order to keep them from supporting revolutionary and nationalistic liberation movements harbored on their territories.[3] South Africa was determined to pursue a forward defense of the status quo, either by assisting dissident elements hostile to neighboring regimes, or by mounting direct incursions by regular or irregular units of the SADF (South African Defense Forces) and ancillary security forces. The South African government wanted to facilitate the search for a new government in Namibia that would pose no threat to the Republic of South Africa or to any government it implanted in Namibia. It also undertook raids into Zimbabwe, Lesotho and Mozambique aimed at alleged ANC (African National Congress) bases and at refugee concentrations that might be regarded as havens for the ANC. Presumably, it aimed to restrain any sort of revolutionary activity that might threaten a peaceful transition to the new constitutional order in South Africa.

A series of crossborder strikes into Angola (beginning in 1975 but increasing in intensity after 1977) engaged as many as 2,000 SADF members. In the years 1980–1984, South Africa virtually occupied extensive territory along the border. In addition, the SADF and the South African government are providing diverse support for UNITA (the National Union for the Total Independence of Angola), the largely Ovimbundu nationalist movement that effectively governs the southeast third of Angola. Ostensibly, SADF acted against Angola to prevent the SWAPO (South West African People's Organization) incursions southward. South Africa's defense of Namibia against SWAPO insurgents was to be a forward defense in depth. If the Angolan regime could be punished and forced to "pay" for its assistance to SWAPO, so much the better. If South African power could contribute to a change in government in Luanda, or at least a change in its policies vis-à-vis Namibia, then the aggressive policies favored by South Africa's Defense Department would be doubly rewarded.

The Mozambique file is also full, marked most clearly by "surgical" commando raids at alleged ANC offices

[1]The term is not mine. "Pax Pretoria" was used by Joseph Lelyveld in *The New York Times*, October 11, 1983. John de St. Jorre, "Pax Pretoriana," *The New Republic*, no. 3611 (April 2, 1984), pp. 20–23, and "Towards a Pax Pretoria," *Financial Mail* (Johannesburg), vol. 94, no. 3 (October 19, 1984), pp. 36–37 develop the theme. On United States policy see Lee Cokorinos and James H. Mittelman, "Reagan and the Pax Afrikaana" (Paper presented at the annual meeting of the African Studies Association, Los Angeles, October 25–28, 1984).

[2]Jonathan Steel in *The Guardian* (London), May 22, 1984.

[3]For background see Simon Jenkins, "Destabilisation in Southern Africa," *The Economist* (London), vol. 288, no. 7298 (July 16, 1983), pp. 19–28. The doctrine of preemptive intervention is explored in my forthcoming book, *Defending Apartheid: The Rise of South Africa's Security Establishment* (Bloomington: Indiana University Press), ch. 5.

outside Maputo in January, 1981, and October, 1983, and frequent air strikes into Mozambique. Far more damaging has been South Africa's sponsorship of the MNR (Resistência Nacional Moçambican, sometimes called Renamo). South Africa has provided sanctuary, arms, supplies, training and logistical support. The Mozambican economy, especially food distribution, has been disrupted, and sabotage and war have been were widespread. Mozambique's Frelimo (Frente de Liberta ção de Moçambique) government came dangerously close to collapse.[4]

Lesotho, of course, is even more exposed than Mozambique. Economic and political pressures (e.g., the impoundment of arms purchases at South African ports, sporadic border closings, harassment of Basuto laborers in South Africa and a December, 1982, SADF raid on "ANC terrorists" at Maseru, where 42 were killed) have forced Lesotho to expel some refugees. South Africa also assists dissident groups opposed to the government of Chief Jonathan Leabua.

Zimbabwe also charges South Africa with sponsoring anti-government forces. Propaganda, radio broadcasts, assassinations, espionage, "dirty tricks" of other sorts, economic influence (especially on transport facilities), the induced defection of top Zimbabwean white officials from the police and armed forces, and the incursion of SADF personnel into Zimbabwean territory contribute to a general sense of vulnerability in Zimbabwe, especially in the south and west. Elsewhere in the region, in Botswana, Swaziland and as far afield as the Seychelles, there is documented evidence of South African interference.

One cannot point with assurance to a specific decision taken by the South African government or agencies thereof to destabilize states in the region. But one can assess a number of policy lines and their cumulative impact on regional affairs. Although government rhetoric fastens on peaceful coexistence, constellation, and nonintervention as hallmarks of South African regional policy, actual policy includes an extensive dossier of reports of large- and small-scale open and clandestine raids into nearby states, the effects of which have been to heighten insecurities in areas near South Africa's borders. From close up, they may appear to be unrelated, ad hoc responses to diverse stimuli. But from afar what emerges is a recognizable pattern of coercive hostility toward governments already inclined to be hostile to Pretoria, insecure, and fearful about incursions from the only remaining white regime in Africa.[5]

Once embarked on a course of aggressive "defense," South Africa found it easier to make a case for South African military operations elsewhere in the region. Apparent "success" provides its own rationale. Certainly, the SADF is convinced of its importance in the stabilization process. In its words, "forceful military action" has provided the time to allow Africans to experience "the dangers of Russian involvement in their countries, as well as the suffering and retrogression that follow upon the revolutionary formula." In short, Pretoria believes that South Africa's black neighbors have now had "their eyes opened to the dangers of Russian imperialism." By taking "firm action" and developing "a strong military potential," the SADF "has created a successful strategy of deterrence."[6] In other words, without the SADF the negotiations that led to the cease-fires and to nonaggression pacts could not have been initiated.

### STRENGTH AND COERCION

If peace has come to southern Africa, it is an imposed peace, a regional Pax Pretoriana based on strength and coercion. South Africa has adopted a disruptive doctrine of preemptive intervention and has engaged in direct military strikes into neighboring territory. Increasingly, the government of Prime Minister P.W. Botha has also found it useful to employ or to encourage dissident factions from neighboring countries to intervene against their home governments. Intervention may be justified as the exercise of the traditional right of self-defense. Alternatively, it may be rationalized as a form of counterintervention, i.e., intervention to redress a balance of force that has been disrupted by another country's outside intervention. The Cuban troops in Angola thus provide a standing alibi, enabling Pretoria to vindicate South Africa's refusal to come to terms with the MPLA or with SWAPO or to abandon UNITA.

The doctrine of hot pursuit, well established in international law, may also be used on occasion. But South Africa is hard-pressed to adopt that line in most cases, since crossborder, code-named operations are hardly spontaneous hot pursuit. Instead, Pretoria is engaging (like other countries in the world) in a form of anticipatory defense. According to this emerging political doctrine of preemptive intervention, the inherent right of self-help or self-defense justifies the use of preemptive intervention if: (1) a neighboring government is hostile; or (2) if, although it may not be hostile it is unwilling or unable to curb the activities of forces hostile to the intervening government in its own territory; or (3) even more minimally, if at some future time the target government might aid or be unable to control professed enemies of the intervening regime. According to this reasoning, the security of the intervening state is jeopardized if it fails to act. The consequent calculated policy of destabilization has been the Pax Pretoriana that has been punctu-

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[4]On MNR activities, see the Jay Ross series in *The Guardian*, April 18–20, 1984; and Glenn Frankel, "S. Africa's Guerrillas," *Washington Post*, October 8, 1984.

[5]South African rationalizations can be found in Ashley C. Lillie, "Destabilisation in Southern African Perspective," *Paratus* (Pretoria), vol. 34, no. 3 (March, 1983), pp. 48–51; and ibid., no. 4 (April, 1983), pp. 30–31, 65; and R.K. Campbell, "Support for Cross-Border Strikes," *Paratus*, vol. 34, no. 4 (April, 1983), pp. 10–11.

[6]Republic of South Africa, Department of Defence, *White Paper on Defence and Armaments Supply, 1984* (Cape Town: 1984), p. 3.

ated by a series of agreements or near-agreements with neighboring governments.

## THE TRIUMPH OF FORCE AND FORTUITY

Eventually, South African military and economic power has prevailed, not in the sense that neighboring governments have been defeated or overthrown, but that important elements in those governments have come to realize that the costs of maintaining order in the face of internal unrest and external threat are beyond their immediate means. In Mozambique, poor economic planning and management, compounded by a widespread and long-lasting drought, have taken a heavy toll on the popularity of the Frelimo government. MNR forces, themselves not especially popular, have been able to thwart relief efforts outside Maputo. According to a report by Mozambique's National Planning Commission, military intervention combined with South African economic "sanctions" have severely damaged the country's economy. The commission estimated that unrest has cost Mozambique R9.6 billion since 1975.

Mozambique's economy was dependent on services provided to South Africa and Rhodesia/Zimbabwe, and when those countries no longer used Mozambique's ports, railways and labor, Mozambique could not fill the minimal needs of its citizens.[7] For these reasons, the vulnerable Maputo government approached the South Africans at least three times before the final phase of negotiations leading to Nkomati. South Africa did not reduce its pressure until it was absolutely certain that Maputo was prepared to end ANC activities in its territory. Even after signing the agreement, there is some question whether Pretoria immediately severed its aid to the MNR.

An agreement was reached in February, 1984, by which Mozambique would prevent the ANC from using its territory for attacks against South Africa in return for which Pretoria agreed to withdraw its covert (and always denied) support for the MNR.[8] In 11 subclauses virtually every variety of subversive activity was detailed and forbidden, eliminated or controlled. A joint security commission was appointed to monitor the agreement.

Much to the ANC's chagrin, Mozambique moved swiftly to clamp down on ANC activities in Maputo. ANC facilities were searched, and many ANC operatives hastily left the country. For its part, South Africa closed the clandestine MNR radio station thought to be operating from the northern Transvaal. It also took active measures to help Mozambique with railways and harbors operations, and to supply drought and, ironically, flood relief. Pretoria also launched an economic blitz to relink South African private enterprise with opportunities in Mozambique. Although Maputo stated its belief that the South African government was determined to make the accord successful, it was "not satisfied" with Nkomati's security benefits. Economic activity was vigorous, but the extent of Pretoria's severance of its aid to the MNR is subject to debate.

A series of economic agreements were proposed. In late March, South Africa consented to pay higher charges for electricity from Mozambique's Cabora Bassa dam and to pay Mozambique for access to the power. (Portugal was a party to the agreement.) Talks were opened between South Africa, Botswana, Zimbabwe and Mozambique about building a storage dam on the Limpopo River. South Africa made a R10-million loan to Mozambique as part of a 10-point plan to rebuild Mozambique's faltering railway and harbor infrastructure. Other economic and technical assistance flowed from South Africa to Mozambique. But the MNR would not go away.

Finally, in October, as a result of vigorous South African mediation and Maputo's threat that the entire Nkomati exercise might be abandoned if the MNR's challenge were not contained, the MNR and the Maputo government agreed to a cease-fire. Significantly, the agreement was announced in Pretoria by South African Foreign Minister R.F. Botha. According to the agreement, President Samora Machel is acknowledged as the leader of Mozambique; "armed activity and conflict within Mozambique" is to be halted; and the South African government "is requested to play a role in the implementation of the declaration." Machel secured his ascendancy by granting the MNR equal status on a cease-fire commission. Foreign Minister Botha told reporters that SADF men would be responsible for implementing the cease-fire. Yet the prospects for success are suspect, because both the MNR and Frelimo officials expressed reservations.

## RELATIONS WITH ANGOLA

Across the continent, Pretoria pursued accommodation with Angola. In February, South Africa and Angola agreed to a disengagement pact in Lusaka, ostensibly brokered by the United States. A cease-fire to end the fighting in both Angola and Namibia is to be monitored by a joint commission that is to include a few United States representatives. South Africa agreed to a five-phase disengagement of its forces provided that neither Angola nor the SWAPO guerrillas took advantage of the withdrawal. South Africa promptly carried out four of the five planned phases of disengagement before the March 30, 1984, deadline.

But they halted at Ngiva, just 25 miles north of the Angola–Namibia border. According to Pretoria, SWAPO fighters were still crossing into Namibia, and the Angolans had not yet agreed to a joint policing of the border. Angola, for its part, said that it could agree only if South Africa set a date for Namibian independence. In response, South Africa refused to make such a commitment (it had been refusing for months) until the Cubans

[7] *The Star* (Johannesburg), Weekly Air Edition, April 30, 1984, p. 13.

[8] The treaty is reprinted in *African Research Bulletin* (Political Series), vol. 21, no. 3 (April 15, 1984), pp. 7166–7167.

left Angola. Thus the main obstruction to a settlement remains the United States–South African precondition that Cuban forces must be withdrawn from Angola before Namibia can gain independence. Angola feels especially vulnerable to UNITA attacks and insists that South Africa must first end its assistance to UNITA. On these grounds the negotiations have been stalled for over two years.

Using Lusaka and the Cape Verde Islands as venues for negotiation, South Africa tried to arrange a Namibian settlement that would assure a role for its government alternative, the so-called Multi-Party Conference (MPC). But in time, the MPC lost standing as key member organizations drifted out of the MPC and toward SWAPO. The South Africans were left with no viable black conservative group to head an independent Namibia. Although press reports imply that the Namibia puzzle is close to solution, grave divisions still exist. Militarily, South Africa seems in control, but Pretoria's final victory is not possible so long as its regime in Namibia is totally rejected by the people. A military solution is not likely, and a political solution is tantalizing but elusive. SWAPO, the South African and Angolan governments, UNITA, and local Namibian parties insist on roles beyond their political-military means.

For South Africa, a settlement with Mozambique to reduce the ANC threat and a settlement with Angola to snuff out the SWAPO challenge in Namibia are high-priority regional issues. Protection of South Africa's distinctive and universally rejected sociopolitical order is its minimal foreign policy objective. That such settlements may lead to other, equally desired benefits must be factored into Pretoria's calculus. In the long run, South Africa seeks to create and institutionalize a grouping of regional states.[9] In its latest guise, this grouping is termed a constellation of southern African states. If established, Pretoria hopes that it can secure for South Africa a measure of acceptance (in Africa and in the West), reduce economic pressures from abroad, permit South African industries to enlarge their fields of activity, and enmesh neighboring countries in an economic web too profitable and too complex to risk endangering it by political adventures against apartheid.

In addition to the high-profile peace offensive aimed at Angola and Mozambique, Pretoria has pressured other regional governments. Most maleable has been Swaziland. In March, 1984, after momentum had been established by the Nkomati Accord and the Lusaka Declaration, it was announced that, in fact, South Africa and Swaziland had entered into a security agreement fully two years earlier, just before the KaNgwane–Ingwavuma land deal was announced. The now-abandoned arrangement involved Pretoria's announced cession of the KaNgwane homeland (for South African Swazis) and a large tract of KwaZulu to Swaziland in May, 1982.[10] The scheme was fought by homeland leaders, and eventually a South African appeals court declared the proclamation unlawful.

Speculation about the political and security arrangements (especially regarding Swaziland policy on the ANC and on the prospective South African-led constellation of states) attending the deal were reiterated when the February, 1982, nonaggression pact was made public in March, 1984. In the intervening years, Swaziland authorities had tried to crack down on ANC operatives in their country and Swaziland had increased the government's share of the largely South African-controlled Southern African Customs Union. The two-year delay in announcing the nonaggression pact (until after a regional image of accommodation had been established) appeared calculated to pressure other neighboring governments to enter similar agreements.

Zimbabwe, Lesotho and Botswana have charged intimidation by Pretoria. Some observers believe South Africa is stalling negotiations to revamp the Customs Union Agreement that Botswana, Lesotho and Swaziland are urging. South Africa has also angered Lesotho by delaying the negotiations over the R2-billion Highlands water project to develop and sell Lesotho water and power to South Africa, and by deliberately delaying at Durban arms shipments Lesotho has purchased from Italy and the United Kingdom. The links between Pretoria and dissident groups of Basuto add to the tension in Maseru. Early in 1984, leaders of all three governments spoke bitterly about Pretoria's tactics, but by the end of the year the rhetoric subsided. In Lesotho's case, a breakthrough may be imminent; the Highlands water project is back on track and so are the arms shipments.

As South Africa tried to build on its diplomatic initiatives, it also tried to sell its "reign of peace" abroad. In May and June, 1984, Prime Minister P.W. Botha embarked on a much-publicized tour of Europe, visiting Portugal, Great Britain, Germany, Italy, the Vatican, Belgium, Switzerland and France, the first official overseas tour taken by a South African Prime Minister in over two decades. Using the regional "peace" theme, South Africa tried to deflect threatened sanctions and international isolation, to depict South Africa as a broker of regional peace and not an ostracized pariah. But no apparent breakthroughs were achieved on outstanding international issues like Namibia or sanctions.

Probably knowing that nothing would come of it, Botha did offer to cede control of Namibia to France, West Germany, Britain, Canada and the United States.

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[9]See Robert M. Price, "Pretoria's Southern African Strategy," *African Affairs*, vol. 83, no. 330 (January, 1984), pp. 11–32; Douglas G. Anglin, "Economic Liberation and Regional Cooperation in Southern Africa: SADCC and PTA," *International Organization*, vol. 37, no. 4 (Autumn, 1983), pp. 681–711; and Anglin, "The Frontline States and the Future of Southern Africa," in Lee Dowdy and Russell Trood, eds., *The Indian Ocean: Perspectives on a Strategic Area* (Durham, N.C.: Duke University Press, 1984).

[10]*Africa Research Bulletin* (Political Series), vol. 21, no. 6 (July 15, 1984), p. 7277.

South Africa is obviously still searching for a way to circumvent the United Nations and its resolution 435. But South Africa also wants some kind of settlement. Namibia, the war and the administration of that war are expensive for Pretoria, economically and politically. Yet South Africa is not about to bail out precipitously. Disagreements in Windhoek and Pretoria pit hard-liners in the SADF and the National party against the Department of Foreign Affairs on this and other issues.

With its regional successes and a renewed Western willingness to talk with Pretoria, the South African government appears to be making progress. Yet deep problems still remain. The MNR, originally created by Rhodesian intelligence and later handed over to South Africa, refuses to abide by Pretoria's dictates. It still receives funding from Portuguese business interests in South Africa and Portugal. The UNITA factor prevents peace in Angola and hence Namibian independence, and the Cuban troops provide Pretoria with a ready excuse for delaying final settlement.

Relations with Great Britain took a serious turn in the fall of 1984. In April, 1984, four South Africans were arrested in Britain, accused of helping to smuggle British military airplane parts and missile equipment to South Africa in violation of the arms embargo. From the start, the South African government worked to free the men from Britain. The accused were detained, and bail was at first denied. As a result of assurances from the South African embassy's first secretary to a British magistrate, the men were released on bail. The first secretary later agreed that, if the men were permitted to return to South Africa until their trial, the State President himself would sign orders effectively extraditing them should they default. The South African embassy put up £200,000 cash and another £200,000 in guarantees. The men returned to South Africa.

But in September six political dissidents on whom detention orders had been served had taken refuge in the British consulate in Durban. The British refused to turn the men over to the South African authorities. In retaliation, the South Africans resisted the return of the "Coventry Four" to Britain. Moreover, they belligerently applied in a British court for a refund of the bail and relief from the additional £200,000 promise. In October, three of the "Durban Six" left the consulate voluntarily and were immediately arrested. In December, the other three left, and two were arrested and charged with treason. Still Pretoria refused to return the "Coventry Four."

Relations between Britain and South Africa are awkward. In the flap, anti-apartheid forces in Britain have been given a boost; South Africa's self-proclaimed reputation for respect for international law has suffered; international attention has been focused on detention without trial; and the government of Prime Minister Margaret Thatcher has suffered embarrassment.

Central to South Africa's vigorous diplomatic activity is a desire to project an image abroad of a flexible government, on the move, reformist, and able to live at peace with its neighbors. Free of international pressure, the National party believes that it can manage its domestic challenges. But in fact, it is the domestic situation that has attracted attention to the inadequacies of Pretoria's reform process. The widespread boycott of the recent Coloured and Indian parliamentary elections signaled dissatisfaction with the new constitutional arrangements. Since then, nationwide unrest—transport boycotts, rent strikes, labor dissatisfaction, school strikes and boycotts, protests, and extensive violence—poses a direct challenge. The government's harsh responses, including the use of the SADF as well as the police, have led to extensive protest abroad.

The civil unrest across South Africa calls into question the elaborate but frail edifice of regional order. As Botswana's President Quett Masire said so perceptively of the Nkomati Accord, the treaty could bring stability and progress to the whole region "if it lasts." But if Pretoria were to use the accord to "keep down" black South Africans, "then I do not think it has a chance of enduring."[11] President Kenneth Kaunda of Zambia, himself directly involved in the negotiating process on Namibia, said of the peace initiatives:

> Yes, humble Swaziland agrees, humble Mozambique accepts, humble Zambia hosts meetings of unequal neighbors like South Africa and Angola. What else can we do? But we are not doing it with happy hearts. We do it out of fear, but that fear will end one day. It is bound to.[12]

There is an imposed peace—a Pax Pretoriana. South Africa dominates the region, having bent its neighbors to its will. But they do not conform willingly. "This is our region," boasted Pik Botha.[13] In his view, "it is raining peace in southern Africa."[14] Still, the peace that Botha celebrates is fragile. The ANC, critically wounded in its operations against the South African regime, will not surrender just because it has been forced to relocate farther from the target. Governments compelled to humble themselves are not about to forget their humiliation.

As long as apartheid lives, anti-apartheid lives. The present semblance of agreement is not yet the substance of rapprochement. Peace is likely to be futile and short-lived because the underlying causes of the conflict, unequal wealth and power, have not yet been addressed. ■

[11] *The Star*, Weekly Air Edition, March 26, 1984, p. 14.
[12] *Financial Mail*, vol. 94, no. 3 (October 19, 1984), p. 37.
[13] *The New York Times*, October 11, 1983.
[14] *Financial Mail*, vol. 92, no. 1 (April 6, 1984), pp. 48–49.

**Kenneth W. Grundy's** studies of southern Africa's international relations and security situation have been published by the University of California Press at Berkeley as *Confrontation and Accommodation in Southern Africa* (1973) and *Soldiers Without Politics: Blacks in the South African Armed Forces* (1983). His most recent book is *Defending Apartheid: The Rise of the South African Security Establishment* (Bloomington: Indiana University Press, forthcoming).

*"If tensions mount and economic frustrations continue [in South Africa], a softening of government policy is hardly likely . . . . The nation's recession and its costly involvement in Namibia militate against the speedy redress of social and economic inequality and virtually ensure that the preservation of white identity and domination will continue in an atmosphere of uncertainty and instability for many years to come."*

# South Africa: Defending the Laager

By Frederick Hale
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The Republic of South Africa has undergone profound social, economic, political and constitutional changes in recent years. Against the backdrop of an ongoing demographic revolution and rapid modernization in many sectors of the country's variegated economy, the national government has allowed a gradual if inconsistent erosion of its once comprehensive system of apartheid and has taken cautious steps in the direction of multiracial rule. Cynics, both in South Africa and abroad, are quick to point out that the creation of parliaments for the Asian and Coloured segments of the population in 1984 heightened rather than satisfied the demands of the black majority for a role in the governance of their country. The central pillars of apartheid, like restrictions on land tenure and the general segregation of education on most levels, remain firmly intact. The Nationalist government of State President Pieter W. Botha fuels these arguments by insisting that apartheid (separate development, *aparte ontwikkeling*, in official parlance) will remain a fundamental principle of social engineering and that blacks will exercise political rights chiefly in their "homelands," the disproportionately small swatches of traditional tribal areas that Pretoria calls autonomous nation-states.

On the other hand, large numbers of whites seek to brake the pace of reform, wary of change that would jeopardize their privileged position and fearing the chaos and economic stagnation that have accompanied decolonization elsewhere in Africa. These alarmists reject the contention that recent changes are merely cosmetic. They have organized political parties and launched paramilitary movements to the right of the government that collectively constitute a major force in South African politics. The government is thus caught in a sociopolitical tug of war between domestic and foreign liberals demanding an acceleration of reform and conservatives clamoring for the repeal of those mildly liberal changes already instituted.

Botha and his fellows in Pretoria realize that by failing to follow the reformist path on which they embarked in the late 1970's they risk increasing domestic unrest and further international ostracism, and may add momentum to disinvestment campaigns in many lands. They also understand, however, that by moving in a liberal direction they will give some voters the impression that they have bowed to foreign pressure; moreover, they will hazard a political backlash that might propel their vocal archconservative opponents into a dominant position.

In large measure, the Botha government wants not only to keep the National party in the position of power it has occupied since 1948, but also to preserve white supremacy in South Africa. The metaphor of the *laager*, or defensive camp, has been used frequently in connection with Nationalist policies and the *Weltanschauung* of the Afrikaners who have formulated them. Evoking images of encircled ox wagons protecting Europeans as they settled in areas already (if only sparsely) populated by black African tribes, it vividly reflects the predicament in which the descendants of those pioneers and other white South Africans find themselves today. It is impossible to comprehend either Nationalist policy or recent changes in South Africa without understanding the defensiveness that has characterized the conduct of most South African whites, especially the Afrikaans-speaking European population, throughout their history.

White South Africans are often classified, even by many in their own ranks, as either Afrikaans-speakers or English-speakers. That twofold typology, however, is too facile and masks the complexity of the official "European" component of the nation's population.

Along with the Afrikaners, the ethnic kaleidoscope of present-day white South Africa includes several other groups. In addition to 1,763,220 Anglophone South Africans (39 percent of all whites in 1982), there were 57,080 speakers of Portuguese, 40,240 German-speakers, 16,780 Greek-speakers, 16,600 Italian-speakers, 11,740 Netherlandic-speakers, and over 40,000 speaking other European tongues. South Africa's large Jewish community, numbering approximately 120,000, centered in Johannesburg, is largely Anglophone. Indeed, regardless of their background, almost all "Europeans" can speak English; many also have some secondary or tertiary competence in Afrikaans, which is a standard component of the curriculum at all schools for white children.

Approximately 400,000 white non-Afrikaners, more than 170,000 of them British subjects, have not become

citizens of the Republic of South Africa. Some 46,000 owe formal allegiance to Portugal, for instance, and over 23,000 are citizens of the Federal Republic of Germany. In addition to these official links with Europe, tens of thousands of whites have come from Zimbabwe since the accession of Zimbabwe's Prime Minister Robert Mugabe; this exodus shows no sign of abating.

Despite their many differences, South African whites all enjoy—and, in the view of some critics, suffer from—the privileges afforded them in a country with extreme inequalities in the distribution of both rights and wealth. Both supporters of the Nationalist government and its liberal opponents realize that precisely this inequality lies at the root of the racial unrest that threatens their well-being. Despite decades of efforts to ascribe the country's internal strife largely to Communist agitation and despite official claims that only a small proportion of South Africa's nonwhites are discontented, the fundamental nature of South Africa's problem is now widely understood. For white South Africans, a "satisfactory" solution, i.e., one that would allow whites to maintain their identity and much of their political clout, remains elusive.

The problem has led to much recrimination. Opponents of the National party, including many who are reluctant to surrender all forms of segregation, sometimes alleviate their own guilt by ascribing to that party nearly all the responsibility for the creation of structured racism in South Africa. The victory of the Nationalists in 1948, this group maintains, began the era of apartheid with Hendrik Verwoerd, then minister of native affairs and later Prime Minister, as its chief architect.[1]

To observers with a deeper sense of history, however, this interpretation is woefully incomplete. True, in 1948 the Nationalists ran on an avowedly segregationist platform, popularizing the term apartheid, which had come into ideological use during the 1930's. After gaining power, they enacted a series of laws, many of them still on the books and the target of critics at home and abroad, that ended partial integration and separated the races. But legislation, customs and economic practices had already relegated nonwhites to the lower rungs of the social ladder.

The earliest phase of European history in southern Africa, beginning in 1652, witnessed the genesis of enforced inequality. To European Calvinists, it seemed self-evident that non-Christian natives were not only uncivilized but were "children of Ham" beyond the pale of divine grace. This attitude allowed slavery to become a common institution, and in 1685 it prompted the prohibition of marriages between blacks and whites. At the same time, resistance to European encroachment led to a series of armed conflicts and, at times, the sequestering of the whites behind palisades.

The advent of British rule early in the nineteenth century proved a mixed blessing. Extensive evangelistic endeavors by a spate of missionary societies gave nonwhites the theoretical possibility of joining the European South African religious camp, if not necessarily in the same pews. However, the worldly plight of the nonwhites worsened as the dominant structures of the country became increasingly European. The exploitation of South Africa's vast natural resources, especially diamond and gold mining during the last third of the nineteenth century, required cheap labor.

Most of the muscle has been supplied by blacks in South Africa since the development of the diamond fields in the 1870's. Many native laborers were required to carry passes and were accommodated in closed compounds, forerunners of the workers' hostels common in South Africa in more recent times. These two institutions—the passes and the compounds—became cornerstones of a way to control black labor, a means of having needed manpower at hand and yet removed from white society. Other measures enacted decades before 1948 guaranteed that most blacks would permanently hold inferior positions in their country's economy. The Native Labour Relations Act of 1911 forbade blacks to strike. Thirteen years later, the Industrial Conciliation Act ended the right of African men to bargain collectively in the labor market; an amendment of 1937 also excluded African women. A desire to protect white workers and to lessen racial labor tensions during the interwar years led to "job reservation" legislation, which barred nonwhites from many skilled and semiskilled trades. After 1922, blacks who wanted to engage in commerce on their native reserves were forbidden to open new trading stores within five miles of existing stores, most of which were owned by white businessmen.

The separation of residential areas along racial lines also has a long and bitter history. In Natal, beginning in the 1840's the movement of thousands of Zulus into designated reserves served the demands for cheap native labor and foreshadowed twentieth-century legislation. Although it was intended in part to prevent black exploitation, this system was the beginning of land tenure laws that made it difficult for nonwhites to own productive acreage in much of southern Africa. For the most part, the Native Land Act of 1913 forbade blacks to buy territory outside existing African reserves and curtailed rural squatting. Thereafter, many blacks lived on white-owned farms, but usually only as laborers. A complex array of nineteenth and early twentieth-century pass requirements restricted the mobility of those blacks for whom there was little room on the reserves; the laws prevented them from settling in the cities. This was the beginning of "influx control" provisions that have been controversial in recent years, because police have arrested and returned to rural areas blacks who have no permission to live in cities.

During the first decade of the twentieth century, those blacks already living in urban areas were herded into

[1]Of the many works about Verwoerd, the most useful in English is Henry Kenney, *Architect of Apartheid. H. F. Verwoerd—An Appraisal* (Johannesburg: Jonathan Ball Publishers, 1980).

"locations" that still blight the peripheries of many cities. Long regarded merely as adjuncts to white municipalities, these "locations" are now a permanent home for several million blacks in addition to Indians and Coloureds. Many such peri-urban communities have some measure of self-governance, although blacks who have participated in municipal councils have been ostracized as collaborators and subjected to violence by ethnic fellows unwilling to cooperate with the white regime.

Finally, political segregation antedated post-1948 apartheid. Before the creation of the Union of South Africa in 1910, nonwhites had some political rights in the Cape Colony but few or no rights in the other three colonies that were unified with the Cape that year. Despite protests from various ethnic groups, the South Africa Act, which established the Union, retained preexisting limitations on the franchise and forbade the election of nonwhites to the Parliament. Consequently, whites represented native or other nonwhite constituencies.

### THE NATIONALIST ERA

In 1948, the Afrikaner-dominated National party, appealing to fear of communism and promising to systematize apartheid, turned the United party out of power. The new government launched a long series of measures to ensure racial separation, which had been threatened by the influx of blacks into the cities during World War II. The Prohibition of Mixed Marriages Act came in 1949, banning future marriages between whites and nonwhites. The 1927 Immorality Act forbidding sexual intercourse between whites and blacks was amended in 1950 to include all nonwhites but made no mention of liaisons where no whites were involved. These laws presumably affected relatively few people.

More consequential was the Group Areas Act of 1950, which created townships for the respective nonwhite groups near cities and forcibly removed designated residents who were living in white neighborhoods. The Population Registration Act of the same year provided part of the machinery for administering these laws by assigning every South African to a specific ethnic group. In 1952, the Native Laws Amendment Act, in effect a corollary of the Group Areas Act, restricted the right of blacks to reside permanently in urban areas to those who by reason of birth, long-term residence, or a decade of continuous employment were deemed to have permanent roots in an urban area. "Petty apartheid" laws, some not so petty, supplemented these pillars of the system by segregating inter alia buses, libraries, places of entertainment, and restaurants, some of which already had a local color bar. Racially integrated trade unions were forced to divide in 1957, and two years later the few universities that enrolled nonwhite students were segregated.

To stifle the most radical forms of protest, the government enacted the Suppression of Communism Bill in 1950. By the early 1960's, the Marxist press had virtually disappeared. The Riotous Assemblies Act of 1956 and the Terrorism Act of 1967 contained provisions for "banning"; the latter gave the police wide discretionary power to hold suspected terrorists incommunicado indefinitely. The Prisons Act of 1959 restricted the reporting of conditions in penal institutions.

Plans were afoot for a sweeping repartitioning of South Africa along tribal lines and in accord with allocations made in 1936. In 1955, the multivolume report of the official Tomlinson Commission, which had been mandated to design an enduring infrastructure for the economically underdeveloped native reserves, declared that there was practically no chance that the country's ethnic groups could ever merge into a common society. The commission therefore recommended making the reserves self-sufficient. Several factors, however, have militated against this goal and have made it virtually unattainable. Much of the "homelands" area, like the greater part of South Africa, is vulnerable to drought and only marginally suited to intensive agriculture. Mineral resources, the salvation of the South African economy, are unevenly distributed, though reserves of coal are considerable. Indigenous capital was and remains in short supply.

During the 1960's and 1970's the Vorster and Botha governments sought through direct grants, incentives to investment, and other means to make their "homelands" design viable. By 1979, however, Botha conceded that despite some progress the development campaign was lagging and needed various stimuli to face the challenge of the 1980's. Few would disagree. Lacking both adequate investment and extensive indigenous capital and beset by environmental and demographic woes, the "homelands" have little to offer many of their residents. Poverty, political unrest, corruption, high rates of crime, poor health care, and other problems show few signs of abating if present economic conditions continue. The "homelands," in short, have been unable to support their rapid population growth of the 1960's and 1970's.

In 1976, the South African government nevertheless began to declare them autonomous states (though foreign governments have consistently refused to recognize them as such) without denying that they depended economically on South Africa whose economy, in turn, has availed itself of the seemingly endless supply of cheap labor from these poorly developed areas.

The unpopular system of labor migrancy, in various forms now over a century old, thus remains a key factor in the South African economy and a means of preserving white minority rule. The days of white rule would probably be numbered if the millions of black workers who inhabit hostels or other temporary quarters in industrial areas and on farms and who return to their "homelands" only for periodic visits were declared permanent residents of and given full political rights in the Republic of South Africa. For the same reason, the government adamantly resists the influx of workers' families (thus depriving the "homelands" of a safety valve for their surplus popula-

tion) and frequently destroys the shanties of those who nevertheless filter in, despite the acknowledged damage these police actions do to South Africa's image internationally.

The protests of the past quarter century that have led to a crescendo of violence in South Africa are not difficult to understand against this background, although some defenders of the old order still attempt to explain the protests as the fruits of Marxist conspiracies. A demonstration against pass laws at Sharpeville in 1960 left 69 Africans dead at the hands of the police and led to the outlawing of the African National Congress (ANC). Prime Minister H.F. Verwoerd was wounded in an assassination attempt the following month. Far bloodier were the Soweto riots of 1976, in which nearly 200 people died (considerably more by unofficial estimates).

Subsequent unrest has been frequent. The ANC, now operating underground, has abandoned its previously peaceful tactics as ineffective and has resorted to occasional terrorism, like bombing an air force building in Pretoria in 1983. Most observers see no end to the violence so long as vast social inequalities obtain and the black majority has no effective political channels in South Africa through which to voice its grievances. Even many churchmen, like Allan Boesak, the Coloured president of the World Alliance of Reformed Churches, maintain that a comprehensive solution to South Africa's racial discontent cannot be achieved by peaceful means.[2]

The difficulty into which white South Africans have led themselves was made more acute by the rapid economic progress of the 1960's and early 1970's and the severe recession of the 1980's. In years of plenty, the consumption of goods and services grew almost exponentially. Expectations of continued prosperity rose to unprecedented heights, fueled in part by the value of gold on the world commodities market. Cheap African labor held prices at an acceptable level, despite inflationary pressures, and made the country's raw materials and manufactured goods salable abroad. Some slight erosion of apartheid was apparent by the late 1970's, but Prime Minister B. J. Vorster managed to keep the general system intact.

However, in recent years South Africa has been plagued by double-digit inflation, exorbitant interest rates, a perennial drought in much of the country, a precipitous decline in the price of gold, and sharply increasing labor costs. These forces have caught whites in a pincers between the frustration of their own inflated expectations, which depend in part on labor stability, and the frustrations of nonwhites, which require fundamental economic changes and, ultimately, the end of apartheid. There is no consensus among even reform-minded whites as to how these apparently conflicting demands can be met in either the short or the long term. Each of several parties has made conflicting proposals.

### PARTISAN SOLUTIONS

The ruling National party has tried to maintain the central features of "separate development" while simultaneously quieting the protest by implementing a new constitution and promising an amelioration of petty apartheid.[3] The new political order, which white voters approved by a two-to-one margin in a referendum on November 2, 1983, has begun to function; in a tricameral Parliament, the large chamber of white deputies is supplemented by smaller chambers of Coloured and Asian representatives. Pieter W. Botha was inaugurated as the first State President of the new government on September 14, 1984. His Cabinet includes a few Asian and Coloured ministers but is dominated by Afrikaners.

The nation's black majority, however, remains voiceless. The National party shows no signs of relenting its adamancy: black political rights are to be limited to the "homelands." However, the government has restored the legality of black trade unions, and wages for nonwhite workers have risen considerably in recent years. Total black consumer spending now far exceeds that of whites, though on a per capita basis it lags far behind. Blacks employed by companies subscribing and adhering to the "Sullivan Principles"* of egalitarianism in the workplace receive wages comparable to those earned by white colleagues, and blacks have become important purchasers of clothing, furniture, automobiles and other goods. As "job reservation" is phased out, an increasing number of occupations are being dominated by blacks. On the other hand, rates of unemployment remain high among nonwhites, and wages paid most of those nonwhites who hold jobs are still relatively low or very low.

Combating double-digit inflation and other economic woes, the government has kept interest rates high while increasing value-added taxes to slow consumer spending and bring more money into the public coffers. The collapse of the value of the rand to approximately 50 cents (US) by early 1985 naturally made foreign goods more expensive but has stimulated the export market.

Socially, many reforms that were promised for years by

*(Continued on page 184)*

*Editor's Note: A voluntary 1977 code mandating nonsegregation and fair employment by American companies working in South Africa, formulated by General Motor's board member Leon Sullivan, a black.

[2] James Cason and Michael Fleshman, "Allan Boesak on South Africa," *Christianity and Crisis*, vol. 44, no. 19 (1984), p. 446.

[3] For the details and especially the limitations of the post-Westminster political order, see Patrick O'Meara, "South Africa: No New Political Dispensation," *Current History*, March, 1984.

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*"The pace of Tanzania's economic decline has apparently accelerated in the past two or three years. In 1982-1983 . . . Tanzania experienced its worst economic performance since independence. . . . Once the hope of a generation of moderate as well as radical sympathizers, Tanzania is now regarded as the sick country of Africa."*

# The Roots of Economic Crisis in Tanzania

By Michael F. Lofchie

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Tanzania has proved to be a bitter disappointment.[1] Even its most ardent defenders acknowledge an economic failure of such calamitous proportions that meaningful recovery may well be impossible. Critics foresee an even bleaker future: continued economic deterioration characterized by increasingly frequent episodes of famine, further disintegration of the infrastructure, the virtual disappearance of basic social services (once the country's principal source of self-esteem) and an atmosphere of corruption, cynicism and powerlessness on the part of the country's political elite.

The vast majority of Tanzania's citizens, their patience with socialist experimentation long since exhausted, have turned to the informal economy as the only realistic means of providing themselves with material necessities and consumer items and have thereby removed themselves from the economic jurisdiction of the Tanzanian state.

Virtually all Tanzania's donor countries have traveled similar routes: there is an almost unanimous conviction that no development project can possibly succeed under current political conditions. This has resulted in a sharp downturn in economic assistance and in the insistence that Tanzania come to terms with the harsh conditions of the International Monetary Fund (IMF) before further aid is offered.

The leading indicators of Tanzania's economic breakdown have been well documented by a variety of government reports and by international agencies.[2] These include declining production of major export crops, a skyrocketing increase in food imports, deterioration in the balance of payments, declining government revenues coupled with increasing expenditures that lead to inflation-producing budget deficits, a fall in the value of the national currency (the Tanzanian shilling), a precipitous decline in the performance of the industrial sector, now producing at only 10-30 percent of capacity and, as the inevitable outcome of all these phenomena, an annual decrease in the country's gross domestic product (GDP). Once the hope of a generation of moderate as well as radical sympathizers, Tanzania is now regarded as the sick country of Africa.

If the collapse of any single sector could be identified as basic to Tanzania's overall economic malaise, it would most certainly be agriculture. Tanzania once counted on agriculture to generate the foreign exchange that would help facilitate industrial growth. According to the development theories of the 1960's, agriculture was the source of capital that would help initiate new industries and finance their continuing needs for raw materials, technology and expatriate management. In addition, agriculture would be the springboard for the development of a wide array of secondary rural industries devoted to transportation, storage and processing. Moreover, the government of Tanzania was counting on revenues from agricultural exports as the basis for the radical expansion of social and public services promised during the nationalist era.

These expectations were shattered by the dismal performance of export agriculture during the 1970's. Production of major crops fell dramatically.[3] Between 1969–1972 and 1979–1982, sisal production fell by nearly 60 percent; cashew nut production by more than 50 percent; and cotton production by almost 30 percent. Cotton production in Tanzania reached its peak level in 1966–1967 when it totaled about 79,000 tons. By the early 1980's, production had fallen to only about 50,000 tons per year.

Of all the major export crops, only coffee seemed to be immune to this trend and registered fairly stable production levels during this period of time, showing a slight increase of about three percent for the decade as a whole. But even this figure is grossly misleading. For the most important feature of Tanzanian coffee production in recent years has been a serious decline in quality. Because coffee prices on world markets vary greatly according to

[1]The author wishes to acknowledge the assistance of the United States Episcopal Church, the Academic Senate of the University of California, Los Angeles and the Africa/Middle East Branch of the United States Department of Agriculture in providing financial support to carry out research on agriculture in East Africa.

[2]For an excellent survey, see *Africa Contemporary Record, 1982-83*, "United Republic of Tanzania: The Economics of Disintegration" (New York: Africana, 1984), pp. B278–B304.

[3]The most comprehensive figures on Tanzania's recent agricultural performance are available in John C. de Wilde, *Agriculture, Marketing and Pricing in Sub-Saharan Africa* (Los Angeles: Crossroads Press, 1984). See especially ch. 3, "Tanzania," pp. 31–48.

grade, the country's hard currency earnings from the crop fell steadily throughout the late 1970's and early 1980's. Other major agricultural exports, like cotton, tobacco and pyrethrum, have also suffered substantial declines in quality with similar effects on their capacity to generate export revenues.

The failure of export agriculture reverberated through the entire economic system. This failure is the basic reason for the country's acute scarcity of foreign exchange and thus helps account for the ongoing decline of every sector of the national economy dependent on a supply of hard currency. The sharp deterioration of Tanzania's industrial sector, for example, is rooted in the unavailability of the hard currency needed to obtain raw materials and spare parts. The country's transportation infrastructure is suffering for precisely the same reason; the equipment and supplies needed to maintain road and railroad services are simply unavailable.

And this, in turn, has exacerbated the country's food crisis by making it extremely difficult to transport grain supplies from food-surplus to food-deficit regions; thus costly food imports are purchased when local supplies are available. The impact of the foreign exchange crisis extends far beyond the country's economic system and now jeopardizes vital public services as well. Tanzania's medical system, for example, has all but ceased to function, because of the unavailability of critically necessary medical equipment and medicines. And in major regions, the nation's educational system, hampered by shortages of basic school supplies, functions in name only.

The pace of Tanzania's economic decline has apparently accelerated in the past two or three years. In 1982–1983, for example, Tanzania experienced its worst economic performance since independence. Gross domestic product dropped by five percent and, since the population increase is now more than three percent per year, this meant a per capita income drop of over eight percent in that one year alone.[4] If changes in the terms of trade are taken into account, i.e., the increased costs of imported goods, per capita purchasing power fell by about one-third in the five-year period between 1977 and 1982.

The inflationary squeeze on the urban salaried classes has been enormous. With inflation averaging more than 35 percent per year, Tanzania's urban wage earners suffered a per capita drop in real income of between 50 and 60 percent during that period. When falling personal income is combined with a major drop in the quality of social services available from the state, it is clear that the Tanzanian people have suffered a drastic and possibly irreversible process of impoverishment.

Contemporary Tanzania exhibits major symptoms of social and political demoralization. Civil servants, caught in the grip of an inflationary squeeze that their government seems powerless to arrest, have turned to corruption to supplement their dwindling real incomes. The incidence of petty and major crime is skyrocketing. Violent crime has become increasingly commonplace. The society is pervaded by an atmosphere of political disillusionment that makes it all the more difficult for government recovery programs to take effect.

Under these conditions, the Tanzanian political system has become increasingly unstable and repressive. This tendency was underscored most dramatically by an unsuccessful military coup in January, 1983, and by the widespread political arrests that followed. The coup attempt revealed the extent of disaffection from the government not only on the part of high-ranking military officers, but also among businesspeople, upper-level civil servants and intellectuals. The stability of the Tanzanian state today derives principally from its capacity to identify and repress dissent rather than from the consent of the peasant majority.

#### POLICY FAILURES

Most observers see Tanzania's predicament as the outcome of both external and internal factors, because no single circumstance can account for the depth of the current crisis. Many external factors have contributed substantially to the economic decline. During the past decade, for example, Tanzania has suffered from at least two severe droughts; one in 1973–1974 and, most recently, the disastrous east African drought of 1983–1984. Tanzania has suffered considerably from the impact of two major increases in the world price of petroleum, in 1973 and in 1979. Like other primary agricultural exporters, Tanzania has also been seriously affected by unfavorable terms of trade caused not only by increases in the price levels of industrial imports but also by the extreme fluctuations in the prices of the commodities it sells.

All these factors notwithstanding, Tanzania's economic crisis was caused more by internal policy failures than by outside factors. Even compared to other African countries that have confronted roughly similar outside factors, its economic performance has been so abysmal that the net effect of these factors cannot really be judged until the country performs up to its current agricultural potential. The primacy of domestic problems has now been publicly acknowledged by the Tanzanian government. In its own analysis of the failure of export agriculture, in 1982 the Ministry of Planning and Economic Affairs stated that "the major influences [on declining export volumes] included lack of inputs and incentive goods, processing, marketing and transport problems . . . as well as institutional inadequacies."[5] The critical question for Tanzania, and for the donor organizations that now engage it in a dialogue over systemic reforms, is precisely which internal policies have led to the present crisis and what sort of reforms might help ameliorate it.

To answer these questions, it is essential to consider the

[4]The Economist Intelligence Unit, *Quarterly Economic Review of Tanzania, Mozambique* (London, 1983) p.4.

[5]The United Republic of Tanzania, *Structural Adjustment Programme for Tanzania* (Dar es Salaam: Ministry of Planning and Economic Affairs, 1982), p.16.

impact on agriculture of three broad areas of Tanzanian public policy: the maintenance of an overvalued exchange rate for the Tanzanian shilling; the suppression of agricultural producer prices; and the use of state corporations (parastatals) to implement agricultural policy. These factors by no means provide an exhaustive explanation of Tanzania's current predicament, which is the outcome of a wide range of causes some of which date to the colonial period. But these three policies are still largely in effect and bear directly on the question of which reforms can be expected to improve the current situation.

**CURRENCY OVERVALUATION**

The effects of currency overvaluation on the agricultural sector can be devastating, because devaluation operates as a direct but hidden tax on export crops by lowering the price realized by the producer.[6] The precise overvaluation of the Tanzanian shilling is difficult to estimate because the free market in its currency is illegal and, therefore, not susceptible of systematic observation. But since the early 1970's, the Tanzanian shilling has certainly been overvalued by a minimum of 200 percent to 300 percent and today, a realistic figure would be approximately 500 percent.

The most visible consequence of currency overvaluation is the rapid decline in export crop volume. Untold numbers of export crop farmers have simply abandoned or neglected these crops in favor of crops that produce a more realistic return for their labor and other inputs. Overvaluation may well be the single most important factor in explaining the vast difference between the performance of Tanzania's export agriculture in the 1960's and the 1970's. During the 1960's, when the shilling was realistically valued and the returns on export crops were economically attractive, the volume of critically important crops, like coffee, tea, cotton and cashews, practically doubled. Since that time, the production of almost all of Tanzania's principal agricultural exports has either stagnated (coffee) or dropped sharply (sisal, cotton, cashews).

**SUPPRESSION OF PRODUCER PRICES**

The government of Tanzania regulates the producer prices of all the country's major crops, both those for export and food staples for domestic consumption. In both cases, the tendency has been to set these prices at levels far lower than the free market might have provided.[7] The suppression of producer prices for export crops is partly a consequence of overvaluation, but it also results from the government's determination to use the agricultural sector as a source of capital to finance industrial development and public services. When this policy began, Tanzania's agricultural exports had enjoyed a decade of great buoyancy and the country's foreign exchange reserves seemed ample. Moreover, local food production was wholly adequate for the nation's needs.

The result, however, was a steady drop in the real purchasing power of export farmers. During the 1970's, this enormous loss of income constituted a powerful disincentive to the continued cultivation of crops for the export market. Tanzania's farmers are highly sensitive to price fluctuations and, as export farmers' real income dropped, their willingness to produce for the market fell commensurately. In the decade between 1969–1970 and 1979–1980, the purchasing power of rural families engaged in the cultivation of export commodities fell by nearly 40 percent. Observers believe that these trends have continued with even greater velocity in the last five years.[8]

The government has pursued a similar policy toward the producers of foodstuffs. This policy has been motivated partly by the need to maintain a fairly constant ratio between the prices of export crops and the prices of grain staples (to avoid giving export crop farmers an incentive to shift into food crops), but its principal purpose has been to keep the cost of urban living as low as possible. President Julius Nyerere and other political leaders are aware of the potential volatility of Africa's urban constituencies.

Nonetheless, the real prices of locally produced food grains continue to fall. Despite a brief period in the mid- to late 1970's when the government tried to cope with a major food emergency by drastically raising the prices offered to peasant food growers, the real value of the price of every major food grain in the country has fallen measurably since 1973–1974. The price drops range from less than 10 percent for maize, rice and wheat to 40 to 60 percent for sorghum (bulrush millet) and cassava.

As a result of falling food prices, food producers have been driven away from the officially controlled marketplace and into the production of nonregulated foods that can be traded openly at fair market prices, or into the much more vibrant but illegal trade of the informal market. Since Tanzania's major food-growing areas are located near its boundaries with neighboring countries, the illegal trade frequently involves the movement of locally produced food out of the country altogether. Consequently, the end result of low food prices has been major food shortages, heightened food imports, and even more acute pressure on the country's rapidly dwindling foreign exchange reserves.

Tanzania implements its price control system and other major aspects of its agricultural policy through a system of state corporations called parastatals. Typically, these corporations are given a complete legal monopoly

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[6]A useful discussion of Tanzania's exchange rate policy and its effects can be found in Andrew G. Keeler, et al., *The Consumption Effects of Agricultural Policies in Tanzania* (Sigma One Corporation, 1982), pp. 7–15.

[7]The best study of agricultural pricing in Tanzania and its consequences is Frank Ellis, "Agricultural Pricing Policy in Tanzania, 1970-1979: Implications for Agricultural Output, Rural Incomes, and Crop Marketing Costs" (University of Dar es Salaam: Economic Research Bureau, 1980).

[8]Adolph M.L. Kapinga, "Farmers' Supply Response in Tanzania" (Dar es Salaam: Office for Policy Analysis, USAID, 1983).

over the purchasing, storage, processing and marketing (whether domestic or international) of the commodities under their jurisdiction. Parastatal corporations active in the agricultural sector also have sole jurisdiction over critically important activities. They control the provision of agricultural credit and other "soft" services, such as extension and education, the import and distribution of agricultural equipment and supplies including motor vehicles, and the production and marketing of fertilizers and seed. The monopolistic status of the parastatal corporations is reinforced by regulations and a system of enforcement that prevent farmers producing any of the regulated crops from trading on the private market or obtaining any services from other than the officially legalized source. There are approximately twelve major crop parastatals in the country, including the National Milling Corporation (NMC), which has monopolistic control of all food grains.

Tanzania's agricultural parastatals have been the subject of intensive scrutiny, and today there is little doubt that the inefficiency and corruption of these organizations are at the heart of the agricultural crisis.[9] Why they were established in the first place is a fundamental question. One answer is that there are certain vital functions, like price stabilization, that simply could not be provided by the private sector. Moreover, a driving force behind Tanzania's nationalist movement was the conviction that private traders and companies had exploited the country's peasant farmers and that if they were allowed to continue to operate during the independence period, they would continue to cheat and defraud the highly vulnerable peasantry.

The operation of the parastatals has been uniformly subject to the grossest inefficiencies. Their operating costs have absorbed a higher and higher proportion of their sales revenues and this has become a major factor forcing downward the net return they provide to the farmers. Sometimes, the parastatals' operating costs are so high that there is no cash remainder for the farmers; as a result, Tanzania's farmers have often gone for long periods of time without being reimbursed at all for the crops that they have delivered to parastatal purchasers.

Today, every major parastatal corporation for which figures are available is operating at a substantial deficit. Since these are government corporations, their operating deficits must be financed by the Tanzanian treasury. This adds both to the national budget deficit and to the inflationary process.

The maladministration of the parastatal corporations has been a major factor in the decline of Tanzania's agricultural economy. Parastatal inefficiency and corruption have driven many peasant farmers into the informal economy and have contributed to the demoralized atmosphere in rural areas. Unfortunately, the problems of the parastatal corporations appear to be intrinsic to the concept of state management of the agricultural sector. The agricultural parastatals have no incentive for efficient operation, because they are confident that their operational and salary costs will be defrayed by the government irrespective of performance. Ironically, because parastatal personnel at the field level can use the coercive apparatus of the state in their relations with individual peasant farmers, their behavior toward the peasantry is frequently as exploitive, if not more so, than the private traders they were intended to replace.

**THE ROOTS OF POLICY**

Why has the government of Tanzania continued to support the parastatals long after their effects on the nation's economy became obvious? It would be tempting to place the blame on the socialist commitment of the governing party, the Chama Cha Mapinduzi (CCM), the Party of the Revolution. And there is much reason to do so, because the failures and excesses of socialism have been considerable. It is now generally acknowledged that the government's ill-considered experiment in collective villagization from 1969 to 1975 had disastrous consequences.[10] It produced an atmosphere of confusion and apprehension throughout the countryside, lowering peasant morale and, in some cases, leading to direct resistance to government personnel. It often interfered directly with the process of production: sometimes, peasant communities were forcibly moved between planting and harvesting and, on other occasions, they were moved to areas that were ecologically unsuitable for crops that they were accustomed to growing.[11]

Socialism led to implacable government opposition to any substantial admixture of capitalist practices in the nation's development. The tendency to treat capitalism as an imperialist practice adversarial to the best interests of the Tanzanian people led to a major flight of capital from Tanzania during the late 1960's and early 1970's; since then, socialism has prevented the government from harnessing the considerable entrepreneurial talents inherent in its population.

Socialism has also discouraged major business corporations from any substantial investment in the country, virtually eliminating private capital inflows as an impetus toward growth. As an ideology of state regulation, socialism is also vulnerable to the charge that it led to the unbridled expansion of public services whose costs grew out of all proportion to Tanzania's financial resources. It

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[9]For a probing criticism of Tanzania's parastatals, see Zaki Ergas, "The Tanzanian Economy: What Went Wrong? Who is Responsible? What Can be Done?" Berkeley, Institute of International Studies, unpublished manuscript, 1981.

[10]For a comprehensive treatment of this program, see Dean E. McHenry Jr., *Tanzania's Ujamaa Villages: The Implementation of A Rural Development Strategy* (Berkeley: Institute of International Studies, 1979).

[11]For an excellent discussion of the impact of villagization on Tanzanian food production, see Rodger and Norman N. Miller, "Food Policy in Tanzania: Issues of Production, Distribution, and Sufficiency" (Hanover, N.H.: University Field Staffs International Reports, no. 17, 1982).

may also have led to the otherwise inexplicable tolerance for inefficient and wasteful management of the nation's state enterprises.

But socialism alone does not fully explain the government's persistence in the policies that have ruined the agricultural sector. Tanzania's policies are common to a wide variety of African states, many of which have no socialist policy orientation. To understand Tanzania fully, it is far more useful to turn to the concept of the state as a self-interested entity seeking to maximize its economic resources and consolidate its base of political power. Its policies have enabled the government to aggrandize its share of the nation's material and political resources to monopolistic proportions, and to create a set of loyally compliant urban constituencies.[12]

The statist orientation that underlies Tanzania's policies has given birth to an enormous state bureaucracy whose members are wholly dependent upon state institutions for their jobs and income. By subsidizing the cost of living in the cities, Tanzanian government policies attract the political support of other urban interest groups as well. Indeed, under current conditions, every urban dweller is, in some sense, a client of the system. For even the poorest segments of urban society, living costs have been substantially lowered by policies that, in the past, have insured the availability of cheap local or imported foods. The same policies support the living standards of Tanzania's working classes, whose wages stretch further when food costs are low and when imported consumer goods are available at artificially lowered prices. This may help explain why Tanzania's trade union movement, the National Union of Tanganyika Workers (NUTA), has silently accepted the present system even though the real purchasing power of wages has been dropping steadily, and even though industrial employment is now falling markedly as a result of the low rate of factory use. Students, too, have a stake in the system, because the government is the employer of last resort and insures university graduates some sort of job opportunity.

The major groups that have occasion to oppose the system—the peasants and the smallholder farmers—are powerless to do so even though they comprise 90 percent or more of the total population. The Tanzanian peasantry displays all the classic symptoms of peasant powerlessness. The vast bulk of its members are far removed geographically from the capital city and, therefore, are in no position to act as a political force at the national level. Moreover, the peasantry is scattered across a vast countryside (approximately 365,000 square miles). Cultural pluralism and lack of communication have also prevented the formation of any concerted, nationwide peasant organization. The fact that many peasant communities were subjected to harsh military suppression during the early years of the collective villagization program has also had a lasting effect in discouraging any open opposition to the current system.

Instead of open dissent, the Tanzanian peasantry has expressed its discontent in other ways, including the refusal to cooperate with the official state apparatus. The rapid growth of Tanzania's informal economy is both an economic response to the diminished incentives available from parastatal marketing agencies and a political manifestation of dissent. Tanzania's peasants do not have the legal option of forming an opposition party, since the country is officially a single-party state; nor is it realistic to think that violent opposition would produce anything other than a violent reaction by the police and the military. Thus, withdrawal into the informal sector is the simplest and most effective means of expressing opposition to the system; in short, Tanzania's peasants oppose the system of power in their country by ignoring it.

**EXPERTS VERSUS SOCIALISTS**

The most potentially potent opposition to the current economic system in Tanzania arises inside the state bureaucracy. A group of pragmatic civil servants have lost faith in the statist approach to development and believe that the only solution to the country's economic predicament is a series of pragmatic reforms that will permit greater scope for the private sector. Their presence and increasingly greater visibility in the Tanzanian policy process has given Tanzania its own version of the classic "red versus expert" confrontation. Located principally in the Ministries of Agriculture, Finance and Planning and Economic Affairs, Tanzania's experts favor such reforms as a substantial but staged devaluation of the shilling to align the official exchange rate with that prevailing on the open market; major increases in agricultural producer prices as a preliminary step toward allowing producer prices to be set by market conditions; the recreation of Tanzania's once vibrant cooperative movement as an alternative to parastatal corporations in the purchasing and vending of the most important agricultural commodities; and measures that would compel the parastatal corporations to operate more efficiently, possibly by allowing competition from private businesses.

The political high-water mark of this new generation of reformers came with the Tanzanian budget announcements for 1984–1985, delivered to the Parliament in June,

*(Continued on page 184)*

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[12]For an excellent discussion of the political meaning of the growth of the Tanzanian state, see Andrew Coulson, *Tanzania: A Political Economy* (Oxford: Oxford University Press, 1982), pp. 272–298.

*"Is it possible for a radical populist regime in a poor country to pursue equitable and egalitarian economic development policies . . . in a world capitalist system where the search for foreign aid and capital often requires the adoption of market-oriented policies and the promotion of local class forces with the resources to profit from the market?"*

# Ghana's Radical Populist Regime

BY JON KRAUS

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SINCE December 31, 1981, the radical populist regime of Flight Lieutenant Jerry Rawlings, the Provisional National Defense Council (PNDC), has experienced many crises and changes. These illuminate not only the early post-coup periods in many African states but patterns of conflict and change in a regime genuinely animated by its leaders' radical populist beliefs.

In Ghana, political life has been strongly influenced by Ghana's class structure and persistent political turbulence, and political choices are narrowly structured by the conditions of the domestic and international economy; the most severe droughts that Ghana has ever experienced; and a worldwide recession that reduced the demand for Ghana's exports and savaged the prices that its exports commanded.

The Rawlings regime suffered from its political legacy, its own radicalism, collapsing public institutions (especially the military), and a recessionary world economy. It was confronted with major political opposition and constricted political-economic choices in attempting to reconstruct the economy and genuinely improve the pathetic economic lives of the vast majority of Ghanaians. In the absence of alternative sources of external funds, in 1983 the PNDC regime undertook a variety of profound economic reforms in line with International Monetary Fund (IMF) conditions for loans and IMF support of efforts to increase foreign aid inflows.

The initially massive devaluation of the cedi (a 91 percent decrease in its official value against the dollar), reductions in real government expenditures, tightened bank credit, progressive decontrol of prices and the ending of subsidies immediately reduced the real earnings of working Ghanaians, as prices of imports and commodities influenced by import prices soared. Many of these measures were a long overdue attempt to reduce the incredible downward spiral of the economy and to reward producers rather than traders and smugglers. But the immediate, exceptionally painful impact of these reforms on many Ghanaians posed important problems for the Rawlings regime's political strategy and its supporters.

Many radicals in Ghana and elsewhere question the regime's commitment to the well-being of Ghanaian workers and peasant farmers. The regime took power dedicated to this commitment, and it wanted to see the direct participation of workers and farmers in government and other institutions in contrast to the "sham" democracy overthrown by Rawlings. It was understood that this goal required class struggle against those in Ghana who were systematically exploiting economic scarcities and denying access to state resources and economic opportunities.

Today, even sympathetic observers are left with pressing questions: will the pursuit of IMF-ordained policies regenerate economic and political power for the indigenous bourgeoisie and for the social and political forces favoring policies of freewheeling capitalist development? Has the increasingly avid pursuit of IMF-supported policies by Ghanaian leaders required the curbing of radical social and political forces? Has this pursuit led to the reemergence of an older, more moderate, state technocratic and private bourgeoisie, whose capital accumulation will tend to come at the expense of small peasant farmers, wage-salary workers, and workers in the small-scale, artisan-service sectors? Is it possible for a radical populist regime in a poor country to pursue equitable and egalitarian economic development policies (even if they do not start with the horrendous economic conditions that the PNDC confronted) in a world capitalist system where the search for foreign aid and capital often requires the adoption of market-oriented policies and the promotion of local class forces with the resources to profit from the market?

These questions are important, despite the growing consensus that in Ghana and elsewhere many, though by no means all, forms of state intervention in agricultural marketing, direct production, and retail distribution have been extremely inefficient, meagerly productive, biased against agricultural producers, and inequitable. Often state intervention benefits disproportionately a state managerial bourgeoisie, a ruling party or military elite, and upper-income urban consumers. The answers to these questions are neither simple nor wholly clear, but they are of crucial significance for the Rawlings regime and for many other African countries that have adopted more market-oriented policies in order to obtain IMF and other external loans.

In late 1981, a small core of military and ex-military

men brought Rawlings to power. After eight years of military rule, the Limann–People's National party (PNP) government, elected in 1979, had been unable to resolve any of Ghana's economic problems or to maintain its own political legitimacy. The squabbling leaders of the ruling PNP, presided over by a weak President, Hilla Limann, were widely perceived to be engaged in self-seeking and corrupt behavior, preoccupied with party leadership conflicts, and with little capacity and not much interest in Ghana's overwhelming problems. The Limann–PNP government was burdened by the economic debacle that it had inherited from the previous eight years of military rule, including four months under Flight Lieutenant Jerry Rawlings. The Limann government restored a wide range of freedom to political life, including freedom of association and freedom of the press and speech. However, disparities in class and political power prevented popular social forces from exerting major pressure on the government. One exception was the trade unions, whose successful pressures for a tripling of the almost valueless minimum wage contributed to fiscal deficits.

The economy was in a prolonged downward spiral. Gross national product (GNP) growth during 1970–1981 was negative (−0.2 percent), and per capita annual gross domestic product (GDP) growth was sharply down (−3.2 percent). Persistently declining volumes of exports—cocoa, gold, timber, diamonds—and poor terms of trade during much of the 1970's meant that Ghana's economy was starved of imports of capital and consumer goods and spare parts.

This generated a constant deterioration in the economy, in its productive capacities and its infrastructure of roads, bridges, railways and ports. Gross domestic investment was negative during 1970–1981 (−1.4 percent). Inflation induced the government and private citizens to spend almost all revenue or earnings on consumption.

Agricultural production experienced a drastic erosion during 1970–1981, in both domestic food crops and cocoa for export, a consequence of severe drought in the mid-1970's, low producer prices to cocoa farmers, and relatively low government agricultural expenditures, with many expenditures allocated to state agricultural units and large farmers rather than to small farmers, severe disruptions in farm-to-market transport, and the non-availability of incentive consumer goods for rural producers.[1] Food production per capita is estimated to have fallen by 26 percent from the average in 1969–1971 to the average production in 1979–1981 (and these were not drought years).

Cocoa exports, which provided about 60 percent of export earnings, fell by 31 percent between the average of the 1969–1973 crop years and 1976–1980 crop years, an appalling problem that sharply diminished Ghana's import capacity and economic growth generally. Production fell still further in 1980–1981 to 258,000 metric tons, the lowest since the late 1950's, and a large part of that crop remained unmarketed in early 1982 as road haulage capacity collapsed. By 1980, the government monopoly buyers paid cocoa farmers only 33 percent in real terms of what they earned per 66-pound load in 1963; in 1981, they were paid only 14 percent. Many farmers abandoned cocoa production for nonprice-controlled local foods or failed to harvest their trees.

Moreover, Ghanaians suffered a hyperinflation of prices from the mid-1970's on, despite major, if ineffective, attempts to control prices and create new distribution channels. Inflation was 53 percent in 1976, 115 percent in 1977, 74 percent in 1978, and 47 percent in 1979. Since these rates were compounded, the real impact was 212 percent yearly during 1972–1979. Under the Limann government, inflation was 50 percent in 1980 and 116.5 percent in 1981, which prepared the way for the overthrow of the Limann/PNP government. Inflation shifted incomes overwhelmingly to traders, black market operators (including large numbers of Ghanaians), and food farmers, whose incomes and living standards rose sharply during 1970–1981.[2]

The collapsing economy and the military regime's arbitrary actions seriously undermined the capacities and morale of most state institutions. In response to sharply eroded real wages, over a million Ghanaians left the country to find work elsewhere. Impoverished workers engaged in petty larceny, while higher-level state bureaucrats indulged in corruption in order to survive.

When Rawlings was first vaulted into power in the 1979 mutiny and established the Armed Forces Revolutionary Council (AFRC) government, junior and non-commissioned officers unleashed a harsh populist response to the incompetent and corrupt military leadership; and this in turn led to an almost complete breakdown of the structure of authority within the military and police. Investigations were mounted into corruption and malfeasance in most state institutions—undoubtedly a necessary task but one which set junior staff against top management and immobilized much of the government. The outpouring of class antagonism among impoverished Ghanaians toward profiteers and government officials made an indelible impression on Ghana's managerial-professional-merchant bourgeoisie.

### POPULIST REVOLUTION

When Rawlings seized power again in late December, 1981, after having surrendered it in 1979, he wanted to unleash revolutionary change, cleanse and reinvigorate state institutions, restore the economy and create the means whereby ordinary Ghanaians could play a direct role in running their communities and their major institu-

[1]See Jon Kraus, "The Political Economy of Agricultural Regression in Ghana," in Michael Lofchie and Stephen Commins, eds., *Agrarian Malaise in Africa* (forthcoming, 1985).

[2]Merrick Posnansky, "How Ghana's Crisis Affects a Village," *West Africa*, December 1, 1980, pp.2418–2420. Inflation data is derived from various issues of Ghana, Central Bureau of Statistics, "Statistical Newsletter," 1975–1984.

tions. This was not a simple military coup (many officers hid), and Rawlings did not envisage a narrow military regime. Rawlings launched a populist, anti-bourgeois and anti-imperialist revolution in several senses.

There was a fairly drastic change in the social location of power, in higher political and government offices, in urban and village communities, and in work places, where People's and Workers' Defense Committees (PDC's, WDC's) were rapidly established by the able, angry, and discontented. There was a fairly rapid mobilization of ordinary Ghanaians, urban and rural, into PDC's and WDC's, which launched spontaneous initiatives (often without any PNDC sanction) to control prices and rents and to demand accountability from senior bureaucrats and industrial managers. There was a sustained attack on the wealth and power of the Ghanaian elite, the merchant-professional-state bourgeoisie, whose bank accounts were frozen and whose incomes were scrutinized for ill-gotten gains, leading many to flee abroad. And there were major efforts to legitimize populist power and norms.

However, Rawlings had to mount these efforts in the midst of economic collapse, and he had to contend with relatively weak bases of support in an essentially conservative society highly respectful of wealth and status. He faced conditions of social turmoil, partly generated by his own and the PNDC's angry populist rhetoric and actions, over which he had relatively little control. The PNDC had virtually no economic resources with which to mobilize the economy: it inherited an incredible budget deficit that could only be financed by printing money, generating still more inflation. Exports were falling, cocoa could not be moved to the ports, and Ghana's terms of trade had dropped by 31 percent since 1980. Further, Ghana had no foreign exchange reserve, and because of its large debt arrears (about $348 million) it was unable to obtain external credits.

Initially, the regime reimposed price controls and enforced them (until existing goods were sold or vanished from the market) and mobilized soldiers, students and workers for some essential tasks. It turned to Libya for emergency relief and oil supplies on credit for one year, but Libya turned down the PNDC's request for a massive loan. Libya's terms for increased oil and military supplies—a Libyan military presence in Ghana—were repugnant to Rawlings and his senior military officers.

The PNDC's narrow base of support is shown by the unrepresentative, unknown quality of the six people Rawlings recruited for PNDC membership. In a year, the PNDC was an empty shell; only Rawlings and one other member remained. It was split by the severe dissensions and conflicts of 1982, especially the murder of the three high court judges in July, 1982, which galvanized enormous public opposition to the regime. One PNDC member was arrested and executed for involvement; another, a sergeant fearing he was being unjustly implicated, sought to mobilize northern elements in the army in a half-hearted coup in November, 1982. Others resigned in disgust and went into exile.

Rawlings subsequently tried to build a broader base of support by appointing as government ministers (secretaries), seven leaders who were members of the previous regime's political parties and assorted professors and technocrats, but the dominant forces in the regime were radicals who did not hold office. Initially, the secretaries had relatively little power, and there has been a rapid turnover among those appointed during the PNDC's three years, apart from the secretary for finance and economic planning, Kwesi Botchway. The Council of Secretaries (Cabinet) has become the most important governing body on all except security matters.

Rawlings and the PNDC, while appealing for broad support, tried to build their core constituencies around five groups. First, there was a group of left-wing intellectuals and political activists. The support of organized workers and trade unionists was solicited. The regime courted university students, especially those organized through the National Union of Ghanaian Students (NUGS). Rawlings also tried to attract the military, especially its lower ranks and junior officers. The populist WDC's and PDC's, which sprang up all over Ghana, were conceived as the bedrock of the revolution.

Leftist intellectuals and activists were the key supporters and leaders of the new regime, articulating its goals and legitimacy and exercising influence vastly disproportionate to their numbers in the first year and a half. They were organized in networks of groups, like the June 4th Movement, the New Democratic Movement (led by Captain Kojo Tsikata, Rawlings' chief confidant and longtime Marxist activist, who was in charge of intelligence and security), the Kwame Nkrumah Revolutionary Guards, the Pan-Africa Youth Movement, and the Peace and Solidarity Committee. Activists from these groups were recruited for local and national leadership positions, in the National Democratic Committee (NDC), which organized the PDC's and WDC's, regional PDC secretariats, the press, the Ghana Broadcasting Corporation, and various positions. Rawlings came to perceive them as a threat, and after the abortive November, 1982, coup many leftist activists were dismissed from the NDC, which lost its importance.

Ghana has had a relatively autonomous and democratic trade union movement, headed by the Trades Union Congress (TUC), which had about 750,000 members in 1981. Some of the 17 unions were happy to see their leaders removed in April, 1982, by the PNDC, because they were frustrated by the unions' inability to win wage gains to offset the hyperinflation. But lower level leaders were hostile to the PNDC's appointment of interim TUC management committees, the wage freeze, the suspension of collective bargaining rights, and the challenge to the unions' representative role posed by assertive work place WDC's. Like students and other opposition groups, the unions protested the March, 1983, devaluation and aus-

terity budget, which reduced real wages drastically. These measures, the hyperinflation in food prices, and the forced return of a million Ghanaians from Nigeria put food beyond the means of most Ghanaian workers, causing widespread despair.

Since 1983, union leadership has been at odds with the PNDC over the question of depressed wages, layoffs, inadequate food supply, and the cessation of government subsidies on essential consumer goods. A threatened general strike in February, 1984, forced the government to announce a partial rollback in food prices. But PNDC-union relations remain tense and mistrustful, with regular government denunciations of the (nonpublished, censored) TUC demands for wage increases.[3]

The lower ranks of the military constituted a key group in the regime's core coalition, but the military has been a tenuous and unstable base for revolutionary change. First, the 1981 coup, like the 1979 mutiny, constituted an extreme threat to the officer corps itself, many of whose members went into hiding to avoid being beaten or arrested by the lower ranks. Most officers were hostile to the Rawlings coup, having just reestablished their authority, so initially Rawlings did little or nothing to reimpose discipline within the ranks. In 1982–1983, lower ranks arbitrarily imposed price controls, appropriated goods and cars, and beat and harassed civilians, causing death and widespread conflict in Kumasi, the hinterland capital of the Ashanti region. Most officers had no authority over their men. The behavior of other ranks and junior officers toward civilians caused growing and widespread hostility toward the regime, which was led by the churches, the Catholic Bishops Conference, the Ghana Bar Association and other professionals and students.

Second, the military has been a major source of threats to the government. All five coup attempts since December, 1981, including two invasions of ex-military personnel from neighboring countries (in June, 1983, and February, 1984), sprang from divisions within the military. Many officers and NCO's have gone into exile in London, Togo, and the Ivory Coast, with some assuming the leadership of exile groups working for the PNDC's overthrow. It is clear that Rawlings and his leading associates do not believe that the military can protect the regime. The military itself has been drastically reduced in size; the largest service, the army, has between 4,800 and 5,000 men, with between 350 and 400 officers. The regime's security is entrusted to the Force Reserve Unit (FSU) of some 500 men, headed by Major Courage Quashigah, an extremely able Sandhurst and United States Ranger course graduate, who ended the recent coup attempts.

Since mid-1983, there have been major efforts to reimpose discipline within the military, among officers and other ranks, with a sharp diminution of the role of the PDC's. This has involved the reassertion of the authority of the officers and an insistence on bringing to trial before military or public tribunals soldiers and officers accused of crimes or the harassment or killing of civilians. One of the accused was a close friend of Rawlings's, Flight Lieutenant Robert Kodjo Lee, who was executed. In addition, the PNDC government has been making greater use of military officers in a wide range of government offices, including the National Mobilization Committee, which resettled the Ghanaians expelled from Nigeria and made efforts to increase food production in 1984. The National Security Council (NSC), comprising senior military, police and intelligence officers, has become a strong governing body.

The major institutions of radical change have undoubtedly been the PDC's and WDC's. Literally thousands of PDC's and WDC's have been established in virtually all government and private institutions, in rural as well as urban areas. Initially the PNDC had little interest in controlling the PDC's and WDC's, which spontaneously undertook a vast range of populist activities, knitting themselves together in coordinating groups in urban areas and constituting, alongside the government, a dual power structure. The committees enforced price controls and the curfew, supported rent controls and actually enforced them against recalcitrant landlords and local judges (who tended to support the property rights of owners). They also appointed themselves committees of enquiry to investigate mismanagement and corruption among the senior management in both government and business, sometimes ejecting the management.[4]

The committees provided crucial assistance to border guards combating smuggling, helped to foil several coup attempts, organized counterdemonstrations against the protests of opposition groups at critical times (especially in May, 1983), organized a wide range of self-help and agricultural activities in the rural areas, and established 5,300 People's Stores to distribute scarce commodities throughout the country.

However, the PDC's and WDC's also posed problems. The zealotry of some PDC's bordered on harassment and coercion, alienating some Ghanaians. A significant number of PDC leaders expanded their own power or engaged in fraud or theft. WDC's sometimes disrupted office or factory productivity. District and regional PDC officials often came into conflict with government PNDC district and regional officials.

Throughout 1984, Rawlings and other PNDC leaders tried to find ways to channel and direct PDC/WDC energies. In December, 1984, PDC's and WDC's were renamed Committees for the Defense of the Revolution (CDR's); the headquarters NDC was abolished and its tasks were absorbed by the PNDC secretariat; and re-

[3]See *West Africa*, May 30, 1983, pp.1294–1295; October 8, 1984, pp.2025–2026; Feb. 20, 1984, p.409; January 7, 1985, p.38. "The Threat of Redundancies," *Talking Drums* (London), December 12, 1983, pp.11–13; TUC press release, October 25, 1984.

[4]"Under New Management," *West Africa*, December 12, 1983, pp.2877–2878.

gional and district PDC/CDR secretaries were made subordinate to district and regional government officers. These measures constitute a loss of PDC/CDR autonomy, but not an abandonment of the institution.

The PNDC also created Citizens Vetting Committees, which examined the assets and tax returns of people suspected of corruption, profiteering, and tax evasion. Public tribunals were established as a populist protest against corrupt public officials and businessmen who had escaped punishment through extended delays and legal technicalities in the courts. These tribunals exist alongside the court system; by the end of 1984 only two lawyers chaired the major tribunals and the other members were citizens from the military and the PDC's. Public tribunals were established in most regions and in the capital, Accra, in 1984; in the future, district and local tribunals will be instituted, with limited jurisdictions. The tribunals have sometimes ignored indications of coercively extracted confessions; they tend to give very harsh sentences, have allegedly been used abusively on occasion, and certainly constitute a threat to the existing court system.[5] They also often administer effective justice. The tribunals have been highly criticized by opposition groups, especially the Bar Association, whose members have boycotted tribunals.

### CONCERTED OPPOSITION

After suffering through an authoritarian, incompetent military regime that wrecked the economy during 1972–1978, many Ghanaians, and especially the alternative political leaders among the sizable professionals and merchant-state bourgeoisie, were totally opposed to the return of even quasi-military rule. The Ghana Bar Association (GBA) immediately voted its opposition and demanded a return to civilian rule. Undisciplined soldiers engaging in random violence and the murder of three high court judges in July, 1982, dramatically increased opposition. The GBA and the Association of Recognized Professional Bodies, joined by church groups, condemned the PNDC for fomenting class struggle and for its economic failure, the curfew, the denial of press freedom, brutality, and nonaccountability.

Opposition forces made their most concerted effort to bring down the regime in April–May, 1983, following the harsh austerity measures that ushered in economic reforms. There were strikes by lawyers, teachers, workers, and students, supported by ex-party leaders and businessmen, all demanding the withdrawal of the PNDC and the formation of a broadly-based government to restore civilian rule. Opposition efforts were insufficiently coordinated and were strongly resisted by the PNDC and many PDC's. However, the level of opposition was disconcerting to Rawlings and others, especially in the Ashanti region, where alienation from the regime was pervasive.

Rawlings did not want to use extreme coercion to govern. Following the highly disruptive protests, the PNDC moved to control soldiers, to moderate PDC/WDC behavior, and to seek the support of established Ghanaian leaders, whom it managed to recruit to ministerial posts and PNDC membership in 1984. Thereafter, church groups, the Asantehene (Ashanti traditional leader), and some business groups were offering the regime cautious public support.

### ECONOMIC REFORMS

While Ghana's economic degeneration has multiple causes, including poor terms of trade during most of 1970–1983, there is little doubt that overambitious attempts to build a large public sector on a narrow, poorly supported agrarian base (cocoa, timber) have been a major cause of Ghana's problems. The dynamics of the political economy led most political leaders to believe that economic growth required the state to develop jobs, industries, and broad services. In turn, the regime could then employ public funds to develop political support and private appropriations. This program led to increasingly large budget deficits and high domestic credit expansion, the major contributors to the inflation in the 1970's and early 1980's. The unwillingness of regimes to adjust to the external shocks that increased real costs (e.g., oil) meant that the currency became highly overvalued.

Starting in March, 1983, the PNDC government undertook a number of major reform measures that promise a restimulation of economic growth. In 18 months, Ghana devalued the cedi by 1,818 percent, leaving it worth 5.5 percent of its prior nominal value and raising the real costs of imports more than 18 times. The government argued that this would not have an equivalent inflationary impact, because the real value of scarce imports was already reflected in black market prices. This was not true, because the regime did distribute scarce imports directly, at least to some urban consumers.

So that the exchange rate change would provide incentives for exports and production, there was a simultaneous change in pricing policies: for example, cocoa producer prices were increased by 67 percent to ₵20,000 per ton in April, 1983, and by a further 50 percent in May, 1984, and administered pricing was eliminated on most

*(Continued on page 186)*

**Jon Kraus**'s most recent publications are "The Political Economy of Agricultural Regression in Ghana," in Michael Lofchie and Stephen Commins, eds., *Agrarian Malaise in Africa* (forthcoming, 1985) and "Political Party Failures and Political Responses in Ghana," in K. Lawson and P. Merkl, eds., *When Parties Fail* (forthcoming, 1985).

[5]See *West Africa*, April 5, 1982; pp.925–926; March 28, 1983, pp.774–776; October 18, 1982, pp.2703–2706; February 4, 1984, pp.443–444; May 21, 1984, pp.1064–1065; December 24, 1984, pp.2646,2651; Amnesty International, *The Public Tribunals in Ghana* (London: A.I., 1984); *Talking Drums*, June 11, 1984, p.15.

*"The aftermath of Amin's legacy has proved unexpectedly difficult. . . . Now there are thousands dead; opponents are in prison; and the army is almost impossible to control. In addition, a credible guerrilla threat in the center of the country and banditry producing devastation and virtual depopulation in the country's northern corners have left a nervous and jittery citizenry. . . ."*

# Uganda's Uncertain Quest for Recovery

By Nelson Kasfir
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Six years after the overthrow of Field Marshal Idi Amin, Uganda continues to live on borrowed time. Modest economic recovery has occurred amid continuing political insecurity. The International Monetary Fund (IMF) and the World Bank have backed Uganda, providing direction and investment to rebuild an export economy resembling that of the 1960's under President Milton Obote. But the political situation increasingly bears uncomfortable parallels to the 1970's under Amin. Whether the Obote government's new economic policy can continue to generate political confidence adequate to justify continued foreign investment remains in doubt. Whether Uganda can increase productivity sufficiently to repay these loans is also an open question.

Since it suffered the economic convulsions caused by the Amin regime, Uganda has passed through two distinct periods. Following the liberation of Kampala in April, 1979, an 18-month interim period sharply intensified the structural changes in the Ugandan political economy that had originally emerged after Amin's expulsion of the Indian trading community in 1972. In December, 1980, Milton Obote again became head of state when he was made party leader of a much weakened Uganda Peoples Congress (UPC) in elections that his opponents insist the UPC lost. As President, Obote instituted a decisive economic policy that reversed some of these trends, but he also created new political problems.

Uganda's current predicament can be traced to changes in the political economy that emerged during the Amin regime. The larger context shaping these developments was the colonial legacy: an agriculturally based export economy and deeply fragmented political groupings divided along regional lines.

In staging his coup d'etat against Obote in January, 1971, Amin countered a growing threat to remove him from the army and perhaps put him in prison. His coup succeeded despite his prior removal from operational command of troops because of his close "ethnic" links with Nubians holding noncommissioned officer positions in crucial battalions.[1] Other battalions remained under Obote's control and might have defeated Amin had they acted in time.[2] Amin's precarious control over the army, as well as his brutal political style, resulted in massacres within the army from the start. By violently restructuring the army, by removing most of the educated officers, and by rapidly recruiting new clients, Amin greatly expanded the role of the military in creating political disorder.

During Amin's rule, the emergence of the state as the enemy of its citizens extended beyond indiscipline in the army. State officials, whether military or civilian, commandeered properties that belonged to others, helped themselves to state funds, and threatened the lives of those who stood in their way. The regime made only minimal efforts to investigate the cases of the thousands who were murdered or "disappeared." Unlike many other brutal and authoritarian regimes, this state did not try to hide its murders of civil servants, judges and other members of the middle class—including even the chief justice and the Protestant archbishop. The number of victims has been sharply debated; between 30,000 and half a million murdered over the entire period.[3] Whatever the correct figure, the state lost any shred of the benign legitimacy it previously enjoyed.

Inadvertently for the most part, the Amin regime produced a new economic order (or disorder). The overall economy shrunk; the gross domestic product fell about five percent from its peak in 1972 to the end of 1978.[4] While this figure is not so large as popular reports of Amin's depredations have presumed, the larger decline in the monetary sector during this period (down perhaps 17 percent from its peak in 1971 by 1978) reflects the shift of economic activities into the subsistence sector.

The expulsion of the Indians in 1972 destroyed the system of credit that was underwriting the importation of manufactured goods and the network for their distribution in rural areas. Indian businesses were allocated to Ugandan Africans, but external suppliers were unwilling to advance goods on credit to these inexperienced traders

[1]Nelson Kasfir, "Explaining Ethnic Political Participation," *World Politics*, vol. 31, no. 3 (April, 1979), p. 382.

[2]David Martin, *General Amin* (London: Faber and Faber, 1974), pp. 57–61.

[3]For one analysis concluding that the numbers killed have been overstated, see Jan Jørgensen, *Uganda: A Modern History* (London: Croom Helm, 1981), pp. 314–315.

[4]Calculated from *Background to the Budget, 1984–1985* (Entebbe: Government Printer, 1984), table 1, p. 49.

who lacked capital. Many businesses were plundered and abandoned. Locally manufactured commodities also became scarce; production declined because of the flight into exile of experienced managers and mechanics, the scarcity of transport, breakdowns in electricity and railway equipment, and the lack of foreign exchange to import spare parts.[5]

In the pre-Amin period, the major sources of foreign exchange were coffee, cotton, tourism and copper (in that order). Coffee and cotton are grown by smallholders and by law are sold only to the state. The Amin regime depressed production by reducing the peasants' share of the world price or by not paying farmers at all. Cotton production tumbled 82 percent between 1971 and 1976, while coffee sold to the state fell by 40 percent between 1970 and 1978—much of the remaining coffee having been smuggled to Rwanda and Kenya.[6] Tourism disappeared. Sales of copper from the Kilembe Mines fell by half.[7] Overall, the Ugandan economy became less diversified—depending almost entirely on a diminishing amount of officially marketed coffee.

Inflation grew rapidly in response to shortages. Between 1970 and 1978, the cost of living for a low income family in Kampala is estimated to have increased almost eight times.[8] Since wages for unskilled laborers did not keep pace, industries, tea estates and larger coffee farmers were unable to count on an adequate supply of wage labor. Many farmers found a more lucrative market supplying food and milk to the towns, and some even uprooted their trees and planted plantains as a cash crop. Since food crops (except, recently, maize) are not exported, the state's share of foreign exchange was further reduced.

Under Amin, the state made a fruitless attempt to regulate the economy by establishing official prices for a wide range of commodities and by arresting traders who charged more. The official exchange rate of the shilling—unchanged until June, 1981—became increasingly artificial as production fell and both the money supply and inflation rose. Consequently, a parallel market (*magendo*) became a significant feature of the Ugandan economy. Those with access to goods purchased by the state could buy these goods at low official prices (or simply steal them) and sell them at much higher magendo prices. Those with state connections could buy foreign currency at bargain rates with their Ugandan shillings, import goods, and resell them on the black market. Those with access to transport could organize the illegal export of coffee. By exploiting these shortages and opportunities, a new class—labeled *mafuta mingi* by the Ugandans—was able to amass extraordinary wealth by local standards despite the overall deterioration of the economy.

Nevertheless, much of Uganda's economic plight was beyond its control. Uganda was no more immune to the crippling effects of increases in oil prices or of the world economic recession of the 1970's than any other third world oil importer. Uganda's deteriorating economy did not mean that it was less dependent on links with Europe and the United States. The nature of those ties and the composition of Uganda's imports changed considerably after the 1960's, but British, American and Soviet trade with Uganda flourished throughout the years Amin was in power.[9]

**AMIN'S DOWNFALL**

In October, 1978—probably to cover up mutinies in his army—Amin's troops invaded, occupied and plundered the Kagera Salient in northern Tanzania. The Tanzanian government was taken by surprise. President Julius Nyerere had consistently criticized Amin's military rule, sheltered Ugandan exiles, permitted their military training, and even sponsored an unsuccessful invasion attempt by Ugandans in September, 1972. Finally, faced with enemy occupation, Nyerere came slowly to the decision to commit his army to the destruction of Amin's regime. The first step was to regain Tanzanian territory, and then to enter Uganda in January, 1979, to punish Amin. But it was not until the end of February that Nyerere committed the Tanzanian Peoples Defense Forces (TPDF) to overthrowing the Ugandan government.

In March, 1979, a new Ugandan government in exile supported by Nyerere was organized, and Ugandan exiles formed a single political organization (the Uganda National Liberation Front [UNLF]) at the Moshi (Tanzania) Conference. The newly formed government was optimistic because of the rout of Amin's army, completed in June, 1979, a visiting Commonwealth team's strategy for the rapid reconstitution of the economy, and new offers of foreign aid. But deeper problems quickly became apparent. The TPDF's successful march through Uganda and the "guardian" role it took on afterward added to the new government's difficulties. Finally, drought and the 1979–1980 massive increase in world oil prices crippled the feeble efforts of the three successive interim governments.

Although Ugandans welcomed Amin's removal, the unity achieved by liberation was fragile. The government created at Moshi consisted entirely of exiles, disappointing the "survivors" (those who had not fled from Uganda), who expected to participate. The scramble for positions in the postliberation government exacerbated this disunity. To gain the cooperation of all exile groups and to weaken the old parties, especially Obote's UPC, each exile organization was given representation in the new temporary political structures. This action weakened the

5 *The Rehabilitation of the Economy of Uganda*, vol. 2 (London: Commonwealth Secretariat, June, 1979), p. 28.

6 Calculated from ibid., p. 76; and *Background to the Budget, 1983–1984* (Entebbe: Government Printer, 1983), table 22, p. 53.

7 *Rehabilitation*, vol. 2, p. 31.

8 Ibid., p. 33.

9 Mahmood Mamdani, *Imperialism and Fascism in Uganda* (Nairobi: Heinemann, 1983), pp. 68–91.

marginal advantage of the larger and better organized UPC, which opposed the Moshi Conference. The UPC felt that since Obote's regime had been interrupted by Amin, Obote ought to be restored to power pending elections. In addition, since the UPC was supplying soldiers to fight Amin and had carried the brunt of the struggle against him since 1971, Obote believed that the UPC should gain more influence under the interim rules.

But a majority of the politically involved exiles (all of whom came from the top socioeconomic stratum) opposed the UPC—or at least its claim for a special position. This put President Nyerere of Tanzania in an awkward position. He did not want to invade a neighboring country without the acceptance (at least by its nationals in exile) of a legitimate front he could propose to install as the government.

Thus, for the first 12 months of the interim period after the invasion, Nyerere instructed his army to act impartially toward the many political contenders. As a result, each of these small organizations, all without popular bases in the countryside, formed a "factional regime," each vying for a favorable position in the coming election. The vigorous factional competition produced a deadlock that prevented economic recovery.

In April, 1979, Yusuf Lule became the head of the first interim government; Lule's regime was conservative and was oriented toward the economically dominant heartland. Lule after 68 days was forced out of power because his government tried to free itself of the other factions.

The second government was formed in June, 1979, and was headed by Godfrey Binaisa; his regime lasted 11 months. It ended when several factions united to persuade the interim legislature to approve an electoral scheme (the "umbrella" plan) in which every candidate would run as an individual under the UNLF label in order to eliminate the old parties from the political process.

In response, Obote's Uganda Peoples Congress partisans organized a coup d'etat in May, 1980; they plainly intended to put the UPC faction in control of the statehouse and to give it far greater influence in setting the rules for the coming election. Nyerere, perhaps despairing of the new liberation front or now less worried by the stigma of invasion, studiously ignored this coup until he could safely recognize it as a *fait accompli.*

Thus, all three interim governments presided over a military and economic disaster that came close to making Amin's rule look benign.[10] Looting became widespread as the TPDF and UNLA forces marched through Uganda from the west. What may have started as selective reprisals against the wealthy quickly spread to schools, industrial establishments, government offices and private homes.[11] The invading private armies moved slowly, allowing Amin's soldiers to strip the towns of vehicles and goods before fleeing. No qualifications, no training and no discipline marked recruitment. Afterward the liberated did their own liberating. All told, the cost to the public was high. "As night falls," one newspaper mournfully reported a year after the return of civilian rule, "no Ugandan is sure whether he will live to see dawn."[12] The administrative headquarters, police offices and many businesses in two important district capitals, Mbarara and Masaka, were also destroyed by the TPDF in the early stages of the war.

The Commonwealth team invited by the first interim government under Lule "to assess the task of rehabilitation" thought that "the cumulative recovery could be quick and spectacular."[13] It proposed to invigorate the economy by flooding the market with essential consumer imports (cooking oil, salt, sugar, sewing machines and clothing) in order to reduce prices, so that people would find it worthwhile to return to the monetary sector. To ensure that the volume of exports grew quickly, higher prices would be paid to peasant producers of coffee, cotton and tea. Either devaluation or increased taxes would provide the necessary local revenue. In addition, imports of hoes and trucks and the repair of roads would be needed to reverse the decline in official exports. Since Uganda's exports generated far too little foreign exchange to cover these costs as well as the initial spare parts and raw materials to get manufacturing going again, external assistance on the order of $300 million would be needed immediately. In essence, the Commonwealth experts proposed the restoration of the dependent links to external capitalism that Uganda had developed by 1970.

Eventually a version of this program was put into effect by the UPC government, but not for another two years. In June, 1981, Obote noted that during the first year and a half after liberation there had been "no commitment or direction for economic recovery."[14] Instead, while all factions in the interim governments vied for power, real gross domestic product fell a whopping 15 percent in 1979 and 1980—far more than the total decline under Amin's rule.[15] The purchase of export crops by state marketing boards also fell dramatically in 1979, though coffee purchases recovered to the low level of the later Amin years in 1980. Coffee smuggling and other black market (magendo) activities expanded in response to shortages, as state stocks of essential commodities virtually disap-

[10]Tony Avirgan and Martha Honey, *War in Uganda: The Legacy of Idi Amin* (Westport, Conn.: Lawrence Hill, 1982), p. 75.

[11]*Rehabilitation*, vol. 1, p. 1.

[12]*Weekly Topic* (Kampala), April 18, 1980, p. 3. A useful political summary of the interim period may be found in Cherry Gertzel, "Uganda after Amin: The Continuing Search for Leadership and Control," *African Affairs*, vol. 79, no. 317 (October, 1980).

[13]*Rehabilitation*, vol. 1, pp. 4, 5–6, 10, 7–8, 11–12.

[14]"Budget Speech: First Step to Recovery" (Entebbe: Government Printer, 1981), p. 1.

[15]Calculated from *Background to the Budget, 1984–1985*, table 1, p. 49. These calculations include the last three months of the Amin regime and the first three weeks of the UPC government; for the fall in state purchases of export crops see ibid., table 18, p. 64.

peared.[16] Inflation rose sharply, but official salaries and the minimum wage did not. The consequences were obvious: "To eat magendo," Ugandans learned, "one must earn magendo."

**OBOTE RETURNS**

The process by which the UPC returned to power further reduced its political acceptability. Yet, paradoxically, it managed to create and execute a coherent policy that significantly changed the economy—without, however, accomplishing the promised recovery. During the interim period, the UPC was only one faction among many, and Obote did not even return from exile in Tanzania until after the successful coup against Binaisa. Nor did the UPC have a free hand in the preparations for elections. For example, the Commonwealth observers were invited to oversee the balloting and the count over Obote's objections. They gave a qualified endorsement to the elections, saying that they had been "worthy and valid"—but they did not say, as their terms of reference required them to decide, whether they had been "free and fair."[17]

Both the Democratic party (DP), whose leaders claimed they had won, and the Uganda People's Movement (UPM) insisted that the UPC had rigged the results. Nevertheless, the DP leadership has participated in the National Assembly as the opposition, although some of its members have crossed over to the UPC and others have been harassed and detained and even put on trial for treason. All the seats won by the DP were located in the former areas of Buganda and Busoga, which contain the most economically productive areas of Uganda and the people most opposed to Obote's return to power. Another DP faction went into exile in Kenya and started small-scale guerrilla activities.

On the other hand, in direct response to the election results, Yoweri Museveni, the leader of the UPM, fled into the swamps of Mubende and Luwero to begin the National Resistance Movement (NRM) to overthrow Obote. None of the other guerrilla movements formed by remnants of Amin's army, Lule's supporters and other disappointed politicians have shown the continuity and discipline that Museveni has been able to instill in his followers. Thus far the NRM has managed not only to elude the far more numerous UNLA units sent to destroy it, but it has grown strong enough to take over two towns outside Buganda, each for a day, and has seized enough heavy weaponry from the armory in the first of these raids to equip itself for a year. At the beginning of 1985, the NRM was still successfully resisting UNLA attacks.

The recent allegation by Ugandans and Western journalists claiming that more people may have died under the present regime than under Amin's focus primarily on the terrible death toll the conflict with the NRM has caused in the Luwero triangle—although there have been conflicts on a lesser scale in other parts of the country. Neither the government, the NRM, nor any of the relief organizations that have taken over the feeding of displaced persons in the area is in a position to make an accurate estimate of the death toll among the million and a half people who live where fighting has occurred (an area larger than the Luwero triangle), or how many have been uprooted from their homes.

Since it entered office, the Obote government has not been able to control the army or to establish a wider political base. The two problems are related and they contribute to the government's unequal burdens and limit the success of Obote's economic reforms. Since factional competition has thrust UNLA into Ugandan politics, the government is not able to subordinate it to civilian authority. To combat guerrilla threats to its rule, further, the government has had to rely on its army. Its soldiers are often self-recruited, untrained, intermittently paid and apparently are not always accompanied by their officers when sent into battle. Ordered to set up roadblocks to stop guerrillas and the transmission of weapons, they prey on travelers and interfere with the transport of commercial goods. Sent to search out guerrillas, they force peasants to harvest their own coffee and give it to the soldiers (who later sell it) and take the tin roofs and wooden doors and window frames from peasant houses.

If Uganda Peoples Congress politicians were to take a hard line against army violence, they might be overthrown. The National Liberation Front is perhaps the most serious obstacle the government must overcome in order to build its popularity. The contrast in behavior between the Resistance Movement guerrillas who frequently pay for what they seize and the disorderly and sometimes gratuitous violence of the UNLA certainly works against the long-run prospects of the present regime.

In addition, the Obote regime has used its state and patronage powers to create clients and eliminate opponents in every district. During its first year, party officials in the villages had the power of arrest in at least some districts, although the police eventually regained this authority. Appointments to district administration down to the lowest level of chiefs depend on overt loyalty to the UPC and to Obote. (In the past these were civil service appointments.) The general elections to be held by the end of 1985 are likely to revolve around local rivalries for patronage. Preliminary struggles between factions within the UPC have already been reported in Bushenyi, Tororo and Busoga districts. The DP's fears of harassment and its inability to campaign caused it to boycott the November, 1983, parliamentary by-elections; these fears are likely to make the party irrelevant in the general elections.

Improving Uganda's economic situation would be the

[16]Reginald Green, "Magendo in the Political Economy of Uganda: Pathology, Parallel System, or Dominant Sub-mode of Production?" Discussion Paper No. 164 (University of Sussex, Institute of Development Studies, August, 1981).

[17]*Uganda Elections, December, 1980* (London: Commonwealth Secretariat, 1980), pp. 5, 33.

quickest way for the government to gain a fuller measure of support. The government's policy has produced a modest economic recovery and several important structural changes, but at a high cost to a critical political group on which the government must rely—its civil servants. In June, 1981, the Obote government took the advice of the IMF and floated the Ugandan shilling, removed official prices for most commodities and raised the prices paid to producers of export crops.

The consequent devaluation of the shilling promptly reduced it to 10 percent of its former value in foreign exchange, eliminating the huge arbitrage profits made by individuals who could evade exchange controls. In effect, the removal of officially set prices legalized the black market in scarce commodities and thus stopped the flow of state-owned goods to the black market. Increased producer prices for export crops made smuggling coffee out of the country far less attractive. Since Uganda received precisely the same amount of foreign exchange for its export sales, devaluation greatly increased the shillings available for paying higher producer prices. These prices have been raised several times since. Thus government policies have dramatically reduced the black market.

The resources available to the state have been increased first by expanding official exports of coffee as much as the international quota will allow and, second, by greatly increasing the amount of foreign assistance to Uganda. Stored old coffee, previously withheld due to nonpayment by the Amin and interim governments, has been sold to the state. The Coffee Marketing Board had a year's quota in storage before it started to purchase coffee in the year beginning September, 1983. Increases in exports of coffee account for most of the expansion of government revenues in the past three years and thus for a large part of the steady and impressive growth of gross domestic product (about 5 percent per capita each year) since 1981. Unfortunately, Uganda's quota is not likely to be increased very much and nonquota markets are not likely to be very profitable. Consequently, Uganda has now reached the limit in expansion of the gross national product (GNP) that coffee can achieve unless the world price rises. Slightly increased export diversification offers a small ray of hope. Coffee provided more than 97 percent of exports in 1980 and again in 1981, but only about 78 percent in 1983.

The other triumph has been the remarkable expansion of external assistance to Uganda—although it seems unlikely that Uganda will be able to repay the debt it is incurring. About US$345-million worth of foreign aid funds were mobilized for the two-year period 1983/1984 through 1984/1985. The rate at which aid was actually spent the previous year was only 63 percent; thus the annual value of aid to Uganda appears to be about 30 percent of 1983 export earnings—easily the most important source of foreign exchange after coffee.

However, this economic policy has also imposed significant costs and continuing disappointments. Civil servants have paid the heaviest price because additional income based on the sale of state goods has been eliminated. Until June, 1984, official salaries bore no resemblance to the actual cost of living. In addition, because it was necessary to find a second job (while holding onto the civil service position for the house it provided and for other benefits), little effort went into implementation of government policies.

Continuing inflation and the further weakening of the shilling have made matters worse. The shilling, which traded at Sh80 to the US$1 in June, 1981 (and was expected to stabilize at 50), reached Sh350 to the US$1 three years later—with the consequent fall in Ugandan purchasing power of all imported consumer goods. Farmers producing export crops received a lower percentage of the world price than they did before (though it is unclear whether this is still the case). But within the Ugandan economy there was a slight, if highly unusual, redistribution of income from the urban to the rural sector.

Nevertheless, recent producer price increases barely kept up with inflation until the June, 1984, massive pay increases for state employees (from 3 to 6 times former salaries). These pay boosts not only reversed the modest trend of tilting rewards toward those who produce Uganda's wealth, but also resulted in another round of inflation. Most disappointing of all, the emphasis on producer incentives has not yet succeeded in restoring cotton production (though the late rains of 1983 may have affected the crop). It is not clear whether Uganda can or ought to revive cotton production or whether maize earnings (the export value of maize was equal to cotton in 1983) could become a substitute on the scale of cotton earnings in the 1960's. But for the moment, regional inequalities in income have widened dramatically, because coffee is a crop grown in the southern part of Uganda, while cotton and maize are grown in the north. Since the 1980 election returns indicate that much of the government's political support comes from the north, this failure of the Obote government's economic policy is likely to reduce its political support where it used to be strongest—though that may not be evident in the 1985 elections if the opposition does not participate meaningfully.

The aftermath of Amin's legacy has proved unexpectedly difficult. The factional competition of the interim period made matters worse instead of better. UPC politicians contributed their share to the problems of the immediate postliberation period and in so doing significantly constricted their political opportunities after returning to power. Now there are thousands dead; opponents are in prison; and the army is almost impossible to

*(Continued on page 187)*

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*Under Sékou Touré, "Guinea became one of the most expensive places to live in the world. . . . The combination of exorbitant prices and low wages exacerbated poverty and increased internal discontent and migration. Mismanagement, embezzlement and rigid planning were partly responsible for the crisis. . . . In short, government planning was incompatible with the needs of a society in transition from colonialism to independence. Touré's economic policies aimed to satisfy a leadership committed to the perpetuation of its own rule."*

# A New Era Dawns in Guinea

By Lansiné Kaba
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The events of the week of March 26–April 3, 1984, which drastically altered modern Guinean history, belong to the world of surprise and paradox. The news that President Sékou Touré died while undergoing heart surgery on March 26 took Guinea by surprise. Information about his health had been kept secret, and most Guineans never realized how suddenly he had aged. They regarded him as a man endowed with extraordinary strength. He cultivated the image of a demiurge, a workaholic disdainful of rest and vacation, a man in perpetual good health. How could Guineans suspect him of being critically ill when they had to listen to his daily harangues on the radio, and when he had delivered a rousing speech two days earlier?

Several paradoxes marked that week. First, Touré, the leader whose voice suggested socialism and revolutionary struggle against imperialism to many Africans, was flown to the United States, and died in the exclusive Cleveland Clinic in Ohio. Second, a score of dignitaries including many heads of state and United States Vice President George Bush attended his funeral in Conakry on March 30, despite his notorious human rights violation. Undoubtedly, mourners made the journey in recognition of Touré's statesmanship and his position as the dean of sub-Saharan leaders.

Head of the Guinean government since 1957, Touré had built a strong party, the Parti démocratique de Guinée (PDG). He had survived several attempts on his life, and he had carved for himself the image of a charismatic leader, however undemocratic and oppressive. Another great surprise, if not a paradox, was the seizure of power by senior army officers on April 3, 1984, before the ruling Politburo elected a new President. Most reporters knowledgeable of Guinean politics had dismissed the officers from the list of serious contenders because of their apparent ineffectiveness and the strength of the party's vigilant armed militia.

How to explain Sékou Touré's personal political success and the rapid demise of his regime after his death? What was the nature of the PDG system, and what legacy did it leave to the military junta? How has this new leadership dealt so far with the political and economic challenge?

As one of the eight territories that constituted the Federation of French West Africa, Guinea began to experience modern politics after World War II. The history of its modern political organization was associated with the reforms sponsored by General Charles de Gaulle at the Brazzaville Conference in January, 1944, to improve colonial affairs and to acknowledge Africa's positive contribution to the war efforts. These reforms, including new electoral policies and labor laws, encouraged educated Africans to organize parties and unions. In Guinea and elsewhere in West Africa, the limited franchise provided by the French constitutions of 1945 and 1946 led to a political ferment centered on ethnicity and regionalism among African civil servants, chiefs, war veterans and townsmen. A radical group of French settlers also influenced the young generation of African leaders. Indeed, despite the small size of their community, French nationals could be elected in great numbers to the territorial assembly, because of the two-electoral system (one for them and one for the indigenous peoples). Thus, the Parti progressiste de Guinée, whose members were engaged in anti-colonialist campaigns, introduced young African teachers and civil servants like Sékou Touré to the basics of Marxism through its *groupes d'études communistes*, which constituted the only interracial forums in the colony.

### ETHNIC POLITICS

Three supra-ethnic parties resulting from the merger of regional and ethnic associations dominated the political scene between 1954 and 1958. The moderate conservative Bloc africain de Guinée (BAG) was mainly the party of the customary elite, influential merchants and high-ranking civil servants. The Démocratie socialiste de Guinée (later known as the Mouvement socialiste africain) attracted no large following. The Parti démocratique de Guinée, a branch of the large interterritorial West African party known as the Rassemblement démocratique africain (RDA), appealed mostly to low-ranking clerks, unionists, women and the urban youth, that is, those who were potentially radical and militant. From 1948 to 1956, Guinean politics evolved primarily around the struggle for power between the BAG and the PDG. The ultimate success of the PDG, which had been rather

insignificant in 1947, testified to a high level of mass mobilization and militancy and an unusual quality of leadership.

In 1946, Sékou Touré had attended the congress held by African politicians in Bamako, Mali, that led to the founding of the RDA. This party soon became a militant anticolonial movement. Colonial opposition made it difficult for the nationalist RDA to achieve significant representation in Guinea. In May, 1947, Touré and his friends organized the PDG, and its fortunes began to rise after Touré assumed its leadership in 1951. He tried to make it a true national party, with discipline and broad principles applicable to all regions and relevant to ordinary people. As a leader in the postal workers' union, Touré introduced labor union methods of organization. Through his earlier experience with French leftists, he also strengthened the party's ties with the most militant union then operating in Guinea, a branch of the French Communist party-dominated Confédération générale du travail (CGT). This move proved most useful to the PDG in terms of training, funds and allies in France.

Thus, more than anywhere else in French Africa, in Guinea unionism performed a major role in raising national consciousness and ensuring Touré's political success. The umbilical ties that developed between the PDG and organized labor made the party the voice of a powerful union at a time of unprecedented economic growth and urbanization. Indeed, by 1950, Guinea appeared to be the French territory endowed with the most natural resources, and hence with the greatest economic potential. Iron ore exploitation was climbing, and the completion of a bauxite plant installation on an island off the coast of the city of Conakry heralded the beginning of an industrial era. Guinean representatives in France were engaged in negotiations with French corporations to launch a huge aluminum complex in Fria 95 miles from Conakry. From the level of 325,000 tons in 1953, the production of bauxite reached over 500,000 tons in 1955.

Iron ore exported from the peninsula of Kaloum five miles off Conakry rose from 400,000 to 650,000 tons in the same period. Huge iron ore deposits were discovered in the hinterland, and an unusually large hydroelectric potential indicated the possibility of abundant and cheap energy supply. Gold and diamonds were exploited in Upper Guinea. To diversify the economy, tropical fruit plantations covered the landscape in the maritime region and along the railroad in Futa Jallon, while an energetic and vigorous peasantry produced coffee and palm kernel in the forest region. Subsequently, light industries were encouraged, mostly in Conakry and its vicinity.

#### POLITICAL CONSCIOUSNESS

These economic activities increased urbanization and the labor force and hence sociopolitical conflict. Industrialization increased the ranks of the labor movement and the CGT, which claimed to be labor's defender. The successful 60-day strike from September to November, 1953, enhanced Touré's image and popularity and the PDG's membership. In short, Touré and other PDG leaders appeared close to the people and displayed a great sense of solidarity and discipline. Gradually, these qualities became a positive factor of political consciousness and mobilization.

Soon the ballot box began to reflect a change in the PDG's fortune. The elections of 1954, although won by the BAG, showed that the PDG had become a strong challenger even in the rural areas, the bastion of the chiefs who constituted the bulk of the BAG's local leadership. Party rivalries took on a definite ideological character; and Touré and his team excelled in this volatile arena. The PDG demanded the suppression of chieftaincy and radical change in the sociopolitical order, while the BAG remained steadfast in its commitment to traditional oligarchical values and strong relations with France. From 1955 to 1957, tension mounted in the cities and finally exploded into bloody violence. Conakry witnessed a series of riots, which took the lives and the properties of many people.

In January, 1956, the PDG won two out of three seats in the elections to the French National Assembly. Later, municipal elections saw an overwhelming PDG success, with its candidates gaining control of each of the 13 newly created municipalities. Shortly thereafter, the French government enacted the *loi-cadre*, a major bill that brought autonomy and a degree of responsible government to each territory. Touré then served as a deputy to the French National Assembly and head of the first territorial government. Finally, the March, 1957, elections to the Guinean territorial assembly confirmed the PDG's dominance.

To consolidate his power, Touré abolished the chieftaincies, which were the power base of the opposition; and to remain consistent, he criticized the *loi-cadre* for its lack of provision for effective autonomy and its inherent trends toward balkanization. The PDG and the opposition parties finally reached common ground on these issues of unity and increased government responsibility, which had become critical across French tropical Africa.

Meanwhile, the crisis in Algeria and General Charles de Gaulle's subsequent return to the French presidency in May, 1958, tolled the knell for the Fourth French Republic. De Gaulle tried to reduce tension in tropical Africa in order to deal with the Algerian challenge. His new constitution, the basis of the Fifth Republic, established a strong presidential regime in France, with direct bilateral ties between the French government and the government of each territory at the expense of the Federation. In short, it was a de facto suppression of the 60-year-old federal system that many nationalists had viewed as a prerequisite for viable political and economic development. All the parties in Guinea unanimously opposed de Gaulle's constitutional referendum. Guineans' overwhelming *non* vote resulted in Guinea's independence on October 2, 1958, and its ostracism by France.

**TOURÉ'S RULE: AUTOCRACY AND ECONOMIC REGRESSION**

Starting in 1958, Touré had a firm hold on Guinea. Through a centralized system of committees linking the masses and the leadership, the PDG maintained a strong presence in all parts of the country. Its broad mass support and its absorption of opposition parties after independence reinforced this process. The party had a monolithic and hierarchical structure. The Bureau Politique National (Politburo), headed by its general secretary, controlled the PDG and was the center of power.

The party incorporated the trade unions, the youth organizations and the women's associations, and organized cells within the army and a regular national militia independent of the armed forces. Thus its supremacy over the government, the judicial system, the bureaucracy, and all aspects of the life of the country was beyond question. From the Politburo's discussions and decisions came both the directives to the party's lower echelons and the laws and decrees made by the National Assembly and the government, respectively. The party's sovereignty implied the supremacy of its general secretary, who was jointly the head of the government and of the state. Historical traditions were reinterpreted and records were issued to link Touré's ancestry and deeds to the heroes of African resistance and to legendary historical figures.

Touré became the embodiment of the nation, the theoretician of the state, the ultimate law-giver and interpreter, the only writer whose ideas and poems became compulsory reading in the schools, and an expert in all fields of knowledge and even sport. Not only was he the "man of the people," but he had become "*l'Homme-Peuple*," the man who symbolized the people and the state. All national and regional officials were his appointees, and no one could make a major decision without consulting him. In practice, Touré's opinions prevailed over the law, because he symbolized and hence exercised all power. In short, his one-party system led to a formidable strengthening of his power and an unparalleled growth of the state's coercive force at the expense of individual and collective rights. This process produced a stifling and suspicious atmosphere in which individuals feared detention, torture and death. Touré's Guinea was a Kafkaesque world.

Observers and writers who were lucky enough to visit Conakry—it was extremely difficult to obtain a Guinean visa—recognized some elements of Marxism and socialism in Touré's doctrine. Indeed, Touré called Guinea a "socialist revolutionary state." He used such Marxist ideas and methods as the primacy of the party over the state, mass mobilization, and economic planning. His alliance with French Communist-led organizations in the 1940's and 1950's, his opposition to colonialism, and his search of an alternative to capitalism partly accounted for his attraction to socialism. But his belief in Satan as the ultimate force in the "counterrevolution" and his Muslim explanations indicated another strand in his thinking.

On the other hand, Touré was an effective nationalist, committed to Africa's freedom from the two world blocs. By and large, he believed in creating strong psychological conditions for socialism through revolutionary language rather than strengthening its material bases. In his view, revolutionary change could be brought about by coining militant slogans and watchwords. With this idealism, he neglected the needs of the Guineans in favor of the generic Man whose coming could justify the sacrifices and torture of living individuals.

Under Touré, the Guinean radio regularly discussed counterrevolution and conspiracy as dialectical forces necessary to the building of a revolutionary state. According to Touré, "before and since September, 1958, Guinea has been confronted with a permanent plot that will last as long as the people's determination for progress, democracy, freedom and independence." He believed that a vast conspiracy from various sources (France mainly) and a standing army of plotters were organized against the "Guinean Revolution." Cataloguing some of the major alleged plots that were "uncovered" would illuminate the discussion; suffice it to say that Touré discovered a conspiracy almost every year from 1960 to 1984.

The plots of 1965, 1968 and 1969 resulted in the elimination of scores of businessmen, competent and respected administrators and a generation of military officers. The invasion of Conakry in November, 1970, by a group of exiled Guineans and Portuguese officers interested in freeing Portuguese soldiers kept in Guinean jails led to a witch-hunt. After a system of "revolutionary justice" was established, the largest purge in modern West African history began, with hundreds of people of all social conditions arrested and confessing under duress to treason, espionage and collaboration with the United States Central Intelligence Agency, France, and West Germany. Because those accused were unable to defend themselves or even to see or talk with their judges, many international bodies questioned the procedures of "revolutionary trials" and raised the issue of human rights and massive atrocities in Sékou Touré's Guinea.

Touré regarded a medicine shortage in 1972 as a "plot by the physicians to discredit the revolution." He interpreted news of the cholera epidemic in 1973 as another counterrevolutionary plot. In May–June, 1976, a plot gave him the occasion to arrest and condemn to death Justice Minister Telli Diallo, first general secretary of the Organization of African Unity, and many other officials. Even Guinea's defeat in the finals of the African Soccer Championship in 1976 was viewed as a plot, and led to purges and arrests. Demonstrations by women in the interior against food shortages, police brutality and abuses by the militia in August, 1977, were described as part of the same "historical struggle between revolution and counter-revolution." The militia was ordered to quell the uprisings, with the assistance of Cubans stationed in Conakry.

As Touré's speeches and his writings became increasingly inarticulate during the last years of his life,

many observers questioned his mental health. The theory of permanent plots has also been associated with Touré's apparently abnormal use of power. Yet his obsession with plots did reinforce Touré's heroic image through his repeated triumphs over "conspirators." The latent conflict between Touré's national ideals and objective realities may help explain the obsession.

A one-party system indeed does not necessarily imply common goals and attitudes. The lack of class unity in the party made it the main theater of inter-elite rivalries—unionists and civil servants against teachers; relatively poorly paid bureaucrats against wealthy managers; and political elites against military leadership. A "new class," a party bourgeoisie with a high standard of living, emerged as the beneficiary of political change. Inter-elite conflicts also stemmed from internal struggles within the party over access to "Touré's ears," and hence access to material and social benefits. The President skillfully manipulated these rivalries, even within his own clan whose members held most of the influential positions. The rivalries were also related to economic conditions.

Guinea has economic potential, thanks to an abundance of water, natural resources, and farming and grazing lands. Some of the largest rivers in West Africa, including the Niger and the Senegal rivers, originate in the Guinean high plateau. The four natural regions practice different forms of agriculture, including herding, tropical fruit planting, and timber. Fishing has traditionally supplied the towns with both fresh and dried seafood. In other words, Guinea should not experience the kind of major food shortages and famine that it suffered during the 1970's. Individual poverty increased despite favorable natural conditions.

At independence in 1958, about 90 percent of the population lived in the rural sector. The country was almost self-sufficient in agriculture. Despite an increase in urbanization and manufacturing, over three-fourths of the six million Guineans still farm. Yet, despite favorable natural conditions and the greater use of tractors, there was a drastic decline in agricultural production during the three decades of Touré's rule, and agriculture failed to supply the needs of national food consumption. It could not provide newly built textile, fruit juice and meat-canning plants with sufficient raw materials, and it could not satisfy the government's tropical fruit export agreement with Eastern bloc countries.

Among the many factors that crippled Guinea's agriculture and led to the famine of 1975–1976 were a lack of incentives, ill-planned and ill-managed cooperatives with costly equipment poorly adapted to Guinea; the lack of adequate infrastructure like wagons and refrigeration facilities at Conakry; and heavy taxation. Finally, general discontent among the farmers led to massive migration to neighboring countries, while those who did not migrate withdrew from the PDG-controlled market in favor of a secret, local barter system.

In addition to other resources, Guinea has large quantities of minerals, including diamonds and gold. The exploitation of iron ore enlarged the labor force, and indicated that there were possibilities for greater industrialization. The Simandou and Nimba mountains located near the Liberian and Ivorian borders contain massive deposits of iron and other minerals. In 1973, estimates of some 600 million tons of high-grade iron ore in the Simandou and Nimba deposits led to the creation of a joint multinational enterprise, the Compagnie des minérais de fer de Guinée (MIFERGUI-NIMBA) in Tokyo. The project envisions the building of a modern trans-Guinean railroad and a deep-water port in Conakry by the Japanese company Nipponkoei. An average export total of 10 million tons a year was expected in 1978. Guinea thus plans to become a major mineral-exporting country.

Guinea is best known for its huge deposits of bauxite, which amount to two-thirds of the world's known reserves. Since independence, the production of bauxite, alumina and other minerals has increased sharply. By 1980, bauxite production—which in 1960 stood at 1.2 million tons—was expected to reach 20 million tons a year; and Guinea planned to become involved in the transformation of alumina into aluminum. The increased production of and growing economic dependence on its mineral resources reinforced Guinea's ties with multinational corporations and, reluctantly, with the Soviet Union.

In the early and mid-1960's, Guinea engaged in serious negotiations with the United States Agency for International Development, the International Bank for Development, and some major corporations to promote further mining and economic development. In October, 1963, an agreement with the California-based Harvey Aluminum Company and the Canadian Aluminum Ltd., guaranteed by the United States Department of State, launched the Compagnie des Bauxites de Guinée. The project calls for the construction of a modern infrastructure, including a new port, a new residential town, new railroads, and a shipping firm. The first shipment of bauxite left the new port of Kamsar in August, 1973, and total output for that year reached almost one million tons. By 1984, production averaged five million tons a year.

The government also increased its economic cooperation with socialist countries. A convention signed with the Soviet Union in 1968 led to the rebuilding of two ore-loading quays in Conakry and the construction of a 60-mile railroad from Conakry to the bauxite mine of Debele near Kindia. This project, known as the Office des Bauxites de Kindia, plans to produce 2.5 million tons of bauxite per year for shipment to the Soviet Union over a 30-year period as a repayment of Guinea's debts. The question of debts has become a thorn in Soviet–Guinean relations. The Soviet Union is Guinea's major creditor, to the tune of more than $300 million. Guineans resent that a bauxite shipment to the Soviet Union is sold at a third of the world price because of its allegedly low-grade content.

*Juene Afrique* (Paris) suggested that "Moscow's connection with the women's uprisings in Guinea in August, 1977, was an attempt to retaliate against Touré's overture to the United States and his tacit hostility to Soviet interests." Although it is impossible to substantiate these allegations, Touré had good reason to be dissatisfied with the Soviet Union, and to renew diplomatic ties with the Ivory Coast, Senegal, France and West Germany.

Guinea also cooperated with Swiss and Yugoslav companies. In 1974, the Guinean government created a tripartite venture with the Yugoslav Energo-projekt Company and the Swiss-controlled Société miniére de Guinée-Alu Suisse to exploit the bauxite deposits of Tougué and Dabola, located 400 kilometers from Conakry, and to operate an aluminum plant there. Initial production will be around one million tons a year.

These costly and complex projects would operate on a scale far beyond the Guinean government's managerial capacity. Hence national planning did not fully extend to them. According to *West Africa* (London) magazine, "the future of the Guinean economy under the PDG undoubtedly lay in the hands of imported capital, particularly from the West."

Despite the magnitude of its mineral production, Touré's Guinea had one of the lowest per capita incomes in the world. Such African states as the Ivory Coast, Senegal and Ghana, which have fewer mineral resources and less favorable natural conditions, still rank far higher in terms of gross national product (GNP), per capita income, and general standard of living. Under Touré's PDG, poverty became endemic. Hospitals lacked the most elementary medicine, and factories stopped operation or functioned at a loss because parts were scarce. Moreover, with scarcity and inflation, Guinea became one of the most expensive places in the world to live. With the complicity of the party bourgeoisie and the police, a black market system sprang up. The combination of exorbitant prices and low wages exacerbated poverty and increased internal discontent and migration.

Mismanagement, embezzlement and rigid planning were partly responsible for the crisis. The optimistic three and seven year plans, largely the product of foreign experts and Touré himself, set unattainable goals, and failed to involve regional leadership. Bureaucratic despotism and rigidity intimidated local leaders and alienated communities. Factories were built according to political rather than economic criteria. Many—like cigarette, furniture and canning factories—were designed to provide consumer goods for the privileged. In short, government planning was incompatible with the needs of a society in transition from colonialism to independence. Touré's economic policies aimed to satisfy a leadership committed to the perpetuation of its own rule.

Understanding the difference between what Guinea was and what Touré said it was is long overdue. The PDG's association with the multinationals suggests that Touré's real goal was not to promote socialism and a people's democracy, but rather to use capitalism to reinforce his own rule. Despite Touré's rhetoric, he did not try to create the preconditions for democratic change. In fact, the PDG did not liberate the Guineans from tyranny and poverty despite 27 years in power.

No one suspected that Sékou Touré's death would bring about a rapid change in Guinean politics. The PDG remained strong and the population continued to show discipline. Further, in a move of unity, the members of the ruling Politburo in Conakry appointed Prime Minister Lansana Béavogui interim President until an extraordinary congress of the party could elect a new leader. When he returned from the United States, however, Transportation Minister Ismael Touré, Sékou Touré's influential brother, challenged this procedure.

On April 3, a day before the congress was convened, the army seized power, arrested the members of the government and the Politburo, and put an end to the rule of the PDG, amid popular rejoicing. A supreme military committee was set up. For reasons yet unknown, Colonel Diarra Traoré, the main force behind the military takeover, declined the presidency and threw his weight behind his brother-in-arms, Colonel Lansana Conté.

Because it is difficult to fill the vacuum left by Sékou Touré's iron-fisted rule, President Conté and his government, with Colonel Diarra Traoré as Prime Minister, face a formidable task. The military must meet the challenge of establishing efficiency and order in a backward administration and promoting economic development and democracy in a richly endowed but poorly managed country. Electricity, running water, communications, and other infrastructure are now practically nonexistent in most parts of Guinea; and an estimated 25 percent of the population, including some of the intellectual, professional and business elite, lives in exile. Observers are watching to see if the military can meet this challenge. The question is whether the move to restore freedom, strengthen ties with the West and liberalize the economy will become a genuine policy.

Several recent events indicate that the new regime is confronted with serious internal problems. For one thing, the PDG's administrative structures and methods have yet to be replaced. Many observers have criticized the maintenance of state stores, which were mainly responsible for the shortage of commodities under Touré, and hence for corruption. The same critics have argued that the army is in danger of losing its cohesion and the respect it holds by involving itself in the management of these commercial agencies; they believe that Touré's legacy must be completely discarded.

Recently, there has been an erosion of unity among senior officers, and a decline in people's confidence in the

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*"Zairians still discuss their problems in terms of a 'crisis,' but that term seems inadequate to describe a situation that has existed since 1973 and is likely to continue . . . . The international backers are keeping the regime afloat by granting financial, diplomatic and military aid, but in so doing they are prolonging Zaire's status as an international 'basket case.'"*

# Zaire: Stalemate and Compromise

By Thomas Turner
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On December 5, 1984, Mobutu Sese Seko stood before an audience of over 3,000 people gathered in Kinshasa's Palace of the People, including delegations from more than 30 foreign countries. Resplendent in a new blue dress uniform, Marshal Mobutu was sworn in for his third seven-year term as President of Zaire (the former Belgian Congo).

In a speech lasting three hours, he presented the balance sheet on the resource-rich country's development since he came to power in 1965. He placed Zaire's current problems in their African context, noting that the foreign debt of the entire continent amounted to $630 billion in 1981 and would reach $950 billion by the end of 1985; the problem of solvency was going to become more serious, he declared, and aid from the rich countries was inadequate.

Turning to domestic politics, Mobutu declared that "the Zairian Parliament has become the *gendarme* of the institutions" of Zaire, and can directly question the President of the republic. He said that there could be only one political party in Zaire, so that order and discipline might be maintained, and he derided those who call him a dictator.

The centerpiece of the speech was the program that President Mobutu plans to carry out during his new seven-year term. He promised a whole series of social programs to improve the standard of living of the 30 million Zairians. He confirmed Zaire's commitment to economic "liberalism" and gave extensive details on proposed new economic measures, notably the creation of a "state holding company that would control the state corporations." He insisted on the necessity of vertical integration of industry, and of increased production to reduce the need for imports. He expressed his wish to see Zairians employed in foreign-aid projects "because foreign experts cost too much," an affirmation that drew prolonged applause.

Finishing what the Belgian paper *Le Soir* called "his encyclopedic presentation," Marshal Mobutu declared that rigor of management would be pursued and that he would restore order where necessary. In truth, there was little that was surprising in Mobutu's speech; the biggest surprise was that he was around to deliver it. Less than a year later, in November, 1985, he would celebrate the twentieth anniversary of the coup d'etat that brought him to power and ushered in the Second Republic in what was then known as Congo-Leopoldville. Incredibly, the country that once epitomized political instability has one of the longest-lived regimes in Africa.

### DOMESTIC POLITICS

Mobutu had good reason to be satisfied as he reviewed the events of 1984; his reelection and inauguration went without a hitch despite opposition efforts to disrupt them. The year had begun with a bomb exploding in luggage taken off a Soviet airliner. Late in March, explosions damaged the headquarters of *La Voix du Zaire* (the government-owned radio and television station) and the central post office, killing at least one person. Two Brussels-based opposition groups, the MNC/L (the Lumumba wing of the Congolese National Movement) and the Zairian Socialist party, claimed responsibility for the blasts. A few days later, the Belgian government expelled François-Emery Lumumba Tolenga (son of the late Patrice Lumumba), MNC/L Secretary General, saying that Belgium "would not permit acts of terrorism to be organized from Belgian territory."[1]

It might have been expected that the opposition would step up its efforts as the election drew near, but their attempts were unsuccessful. In October (three months after his reelection), Mobutu was able to crush a coup attempt, reportedly after he received a tip from the United States Central Intelligence Agency (CIA). The plan was apparently to seize Mobutu at the Kinshasa airport as he returned from Europe, and then to kill him or to send him into exile. Details are unclear.

In November, Shaba Region was invaded for the third time in seven years. Apparently, several hundred rebels crossed Lake Tanganyika and captured the town of Moba, located some 370 miles northeast of the regional capital, Lubumbashi. According to government spokesmen, the town was retaken by government troops two days later.

According to two captured rebels, the invasion was designed to destabilize Zaire shortly before Mobutu's inauguration. As of this writing, it remains unclear whether the seizure of Moba was carried out by the Front de Libération Nationale du Congo (the Angola-based

[1]"African Update," *Africa Report*, May–June 1984, p. 39.

Katangan authors of the invasions of western Shaba in 1977 and 1978), by the Party for Popular Revolution (which controls a hilly region of eastern Zaire some 300 miles north of Moba) or some other opposition group. Opposition spokesmen in Europe suggested that Moba might have been seized by Zairian army mutineers.

Lack of enthusiasm for Mobutu and his regime seems nearly universal among Zairians, apart from a tiny minority (mainly but not exclusively from Mobutu's region), who not only profit from the present situation but enthusiastically promote it. Thus, the potential opposition is enormous. The visible opposition, in contrast, is minuscule. The "Thirteen," the deputies who called for legalization of a second political party, have been made examples. Late in 1983, Mobutu banished six members of the group to their home villages.

After their release under an amnesty, they resumed their criticism of Mobutu's one-man rule and their efforts to promote a second party, which is illegal under the current constitution (the ruling Movement Populaire de la Revolution [MPR] is the only legally recognized party).

It is difficult to obtain reliable information on domestic politics in Zaire, but there are apparently three major conflicts within the political elite. The first occurs in the core, dominated by people from Mobutu's region (Equateur), the second takes place between the core group and rival groups from other important regions, and the third takes place within the rival groups.

Major lines of cleavage among the Equateurians reportedly pit the Ngbandi (Mobutu's ethnic group) against the Ngbaka, and the blacks against the mulattoes. The death of the former head of the Parliament, Nzondomyo Adokpe Lingo, (a Ngbaka) was allegedly engineered by the Ngbandi, while the naming of Kengo as Prime Minister represented a victory for the mulattoes over the blacks, led by the former Vice Prime Minister Vunduawe Te Pemako.

One of the most important rival groups is based in Kasai Oriental. A deputy from a third region told this author that the two most tribalistic groups in the Parliament were the Luba-Kasai and the Tetela; members of these groups apparently define issues in ethnic terms and display considerable cohesion. It may not be a coincidence that the Luba and Tetela are both from the same region, Kasai Oriental. Might it not be the case that the tribalism of the one group fuels that of the other, as they struggle for their share of the rewards available to that region? This rivalry is useful from the point of view of Mobutu and the Equateurians—as when the Tetela parliamentarians declined to sign the petition of the "Thirteen." It is probably fostered by the President and his associates.

## POLICY CHANGES

Since the series of International Monetary Fund (IMF) agreements began in 1976, Zaire has undertaken a wide range of policy changes, some more rhetorical than real, which have been loosely identified as "liberalization." These include political measures, like the holding of competitive elections in 1977 and 1982 and the "administrative decentralization" begun in 1982, as well as economic measures, like the ending of many price controls and the attempted elimination of the parallel currency market in 1983.

On the face of it, decentralization represents a major policy initiative, because it contrasts so sharply with the centralization of Mobutu's first decade. T.P. Vunduawe (then state commissioner for territorial administration) explained the motivations behind decentralization as both political and economic:

> . . . if the centralization of power was a political necessity during a first phase in order to re-establish the authority of the state, to pacify the country, to ensure national cohesion and the integrity of the territory, too strong and too durable a centralization might in the long run asphyxiate the political, administrative and economic system of the country.[2]

The legal framework for decentralization is Ordinance-Law Number 82-006 of February 25, 1982. According to that law, Zaire is divided into regions and the city of Kinshasa has the status of a region. All regions are divided into subregions, which may be urban or rural. Cities are subdivided into urban zones, which are further divided into quarters. Rural subregions are divided into zones, which are divided into collectivities, which are divided into *groupements*, which are divided into localities.

It must be stressed, however, that the definition of a unit such as the collectivity as a "decentralized administrative entity" is purely juridical. Politically, the collectivity constitutes an arena in which local factions (often defined ethnically or subethnically) engage in a power struggle, invoking such arguments as title to the land or numerical superiority.[3]

However, the most basic question of decentralization is whether there is any likelihood that it can promote economic development. In giving the decentralized entities the responsibility for promoting their own development, the central authorities have cut them off from any possibility of subsidies from the center. The decentralized entities have no expertise in the area of planning and executing projects, and little in the way of resources beyond a variety of nuisance taxes that they are allowed to impose. Decentralization thus may be only a means of abandoning large areas of the country to their own devices.

Economic measures urged or imposed by the IMF, the United States and others have been partially effective. Inflation was reduced over 100 percent in 1983, and

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[2]T.P. Vunduawe, "La Decentralisation territoriale des responsabilities au Zaire. Pourquoi et comment?" *Zaire Afrique*, no. 166 (June–August, 1982), pp. 327–328.

[3]Abemba Bulaimu, "La Collectivité locale des Wasongola (Territoire de Kindu, Zaire)," *Les Cahiers du CEDAF*, no. 6 (1972), p. 39.

perhaps 20 percent in 1984. The parallel market in currency has been reduced, eliminating a major source of enrichment for those members of the elite who could use their contacts to obtain hard currency for zaires at the official rate, and then change it back into zaires at the parallel rate (which was five times higher). A parallel market still existed in late 1984, generated in part by the need to pay for airplane tickets and international telephone calls in hard currency, but the difference in rates was only about 20 percent. Most important, at least from the point of view of the international creditors, Zaire was maintaining a revised repayment schedule.

What remains unclear, at least to this observer, is whether the economic measures will work in the long term. Their objectives include improving the transportation network, increasing agricultural and industrial production, and reducing imports. Reduced inflation supposedly is not just good in itself but beneficial because it reduces uncertainty about the future and encourages investment. Neither my observations as I traveled around the country nor my conversations with Zairians and resident foreigners gave me any sense that these longer-range effects were taking place. Several key objectives of the successive "Mobutu plans," notably the improvement of the transportation network and the stimulation of agricultural production, seem as remote as ever.

### THE FOREIGN DEBT

In discussing Zaire's international relations, one factor—Zaire's huge external debt—must be isolated from other military and diplomatic difficulties. As Mobutu suggested in his 1984 inaugural address, the debt problem is by no means limited to Zaire. All the same, the Zairian case stands out in at least one respect. As of the end of 1982, with a debt of approximately $5 billion, Zaire stood eighth in Africa (far behind Egypt at $22 billion, Algeria at $21 billion, Nigeria at $10 billion and the Ivory Coast, at $6 billion). Yet in terms of debt-service as a share of total debt, Zaire far outdistanced all the other African states, at a staggering 43 percent (as compared to 35 percent for the Ivory Coast and only 20 percent for Kenya).

Zaire's huge debt has many causes. Some of these—the rise in the price of petroleum imports and the fall in the price of copper exports—were beyond the control of the Zairian authorities. Others—the squandering of funds on prestige projects and their diversion into overseas real estate and bank accounts—were not.[4]

What one authority has called "the ritual dance of the debt game" began in 1976, when the first of a seemingly unending series of economic stabilization programs was adopted, under the pressure and guidance of the IMF and other external forces. Subsequent Mobutu plans followed in 1977, 1979, 1981, and 1983; in line with the IMF's economic orthodoxy, it was claimed that each was designed

> to cut corruption, rationalize and control expenditures, increase tax revenues, limit imports, boost production in all sectors, improve the transportation infrastructure, eliminate arrears on interest payments, make principal payments on time, and generally improve financial management and economic planning.[5]

In addition, Zaire's public and publicly insured debt was rescheduled by the Paris Club (diplomats of principal creditor governments) no fewer than five times between 1976 and 1983. Zaire's private creditors rescheduled their part of the debt in 1980, and eight World Bank and Western country aid consortia meetings were held to generate further official assistance between 1977 and 1983.

From 1979 to 1982, Zaire used a multinational team of investment banking firms—Lazard, Kuhn Loeb, and Warburg—to assist it in its dealings with the Paris Club, the London Club (private creditors), the IMF and the World Bank. The three banking firms broke their contract with Zaire in 1982, "in large part because of the intransigence of its ruler and key elements of the ruling group."[6]

By 1982, Zaire's external debt had been reduced by about $1 billion, but the fourth IMF–Zaire stabilization program had collapsed, and Zaire was continually skipping public and private debt service payments. Mobutu called on Zairians to exercise financial discipline and named 1983 a "year of strictness in management." At the same time, he asked his foreign backers for help:

> . . . in order to arrive at the sound management of our economy, the successive rescheduling and rearrangement of our foreign debt must be placed in a more realistic context. . . . Plainly speaking, this means that the periods of grace and maturity of the foreign debt must be extended.

The foreign backers apparently concurred. In January, 1983, private foreign banks agreed that Zaire would not be declared in default on the 1980 agreement if it made up its payment arrears by the end of the year. In August, during Mobutu's visit to Washington, Zaire and the IMF agreed on the fifth standby arrangement. And in December, 1983, the Paris Club agreed to reschedule more than $1 billion of debt owed by Zaire, thereby opening the way for Zaire to receive the urgently needed $350-million standby credit from the IMF. More than $1 billion of debt falling due in 1984 and 1985 was rolled over, with a five-year period of grace and a maturity of eleven years, against the eight years normally approved for debtor nations.

This case history of the rescheduling and restructuring of Zaire's debt demonstrates Zaire's dependence on

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[4]Thomas Turner, "Mobutu's Zaire: Permanently on the Verge of Collapse?" *Current History*, March, 1981, p. 124.

[5]Thomas M. Callaghy, "The Ritual Dance of the Debt Game," *Africa Report*, September–October, 1984, pp. 22–24. See also Erwin Blumenthal, "Zaire: rapport sur sa credibilité financière internationale," *La Revue Nouvelle*, vol. 77, no. 11 (1982), pp. 360–378; Guy Gran, *Development by People* (New York: Praeger, 1983), ch. 5.

[6]Callaghy, op. cit., p. 24.

world economy. What "dependency theory" does not indicate, however, is the extent to which Western governments and financial institutions have been ensnared and manipulated by Mobutu. Mobutu and his associates have adroitly played the brinksmanship game with their international political and financial partners over the past decade.

**FOREIGN POLICY**

In its foreign policy, Zaire must try to stabilize its international environment on several levels: the immediate environment of contiguous states, the regional environment (in this case, the African continent), and the global environment. The immediate environment poses a particular challenge; Zaire borders nine other states, ranging from the Sudan in the northeast to Angola in the southwest. As of 1984–1985, the major conflict in the immediate area lay in the southeast, where relations with Zambia and Tanzania had sunk to their lowest point since the first years of the Mobutu regime. The rebel seizure of Moba, in November, 1984, led to harsh criticism of Tanzania, which was alleged to have permitted if not to have encouraged the attack. This was in some respects a return to the mid-1960's, when Tanzania provided aid and comfort to the Lumumbist insurgents.

Relations with Zambia were even worse. In August, 1984, longstanding tensions between the copperbelt neighbors were exacerbated when Zaire rounded up Zambians (mostly in Shaba Region, formerly Katanga) and announced that they would be deported. Zaire's move was a reaction to Zambia's expulsion of immigrants from Zaire and West Africa in July. President Mobutu revoked the expulsion orders on August 25 and ordered government officials to release all detained Zambians, but (according to *Africa Report*) "hundreds had already fled across the border, reacting to threats to their lives and property."

The Zambia–Zaire conflict is related to Zaire's position in the global economy. As *Africa Report* suggested,

> the smuggling of essential commodities from Zambia into the isolated Shaba province of Zaire has caused considerable tension between the two countries in the past. Zambia stationed troops on the border [during 1983] to stem the illegal trade. Subsequently, border incidents involving exchanges of gunfire between Zairian and Zambian soldiers have been reported on several occasions.[7]

Late in 1984, Zaire announced the creation of a civil guard to patrol the frontier, so that such incidents would not lead to direct confrontations between armies.

To the north, chaos in Chad and the shakiness of President Gafaar Nimeri's regime in neighboring Sudan continue to preoccupy Zairian policymakers. In the heyday of regime expansion, Mobutu had looked to the Central African Republic and Chad as potential (junior) partners. Even after pressure from France and other central African states led to a withdrawal of the Central African Republic from the newly formed Customs Union of Central African States (UDEAC), Zaire and Chad retained a close relationship until the death of President Ngarta Tombalbaye during the 1975 coup. When Chad's military regime dissolved into warring factions, Zaire sent troops, initially as part of an Organization of African States (OAU) peacekeeping force.

More recently, Zaire's troops supported President Hissene Habré of Chad (who also has backing from Egypt and the Sudan) against former President Goukouni Oueddei (backed by Libya). In a sense, Zaire was acting as a surrogate of the United States, helping contain Libyan expansionism. At the same time, the Mobutu regime was acting in its own interest, since a Libyan-dominated Chad would menace both Sudan and the Central African Republic, states contiguous with Zaire.

On a continental level, Mobutu took the lead in 1984, articulating the dissatisfaction of moderate black African states with the Organization of African Unity. In July, Mobutu called on black African states to break away from the OAU and form a new regional organization. In an interview with two Senegalese newspapers, he described the proposed organization as an ideal solution for sidetracking the two conflicts that have deadlocked the OAU for the past several years—Chad and the Western Sahara.

In September, Zaire had to modify its position. Zaire's foreign minister, Umba Di Lutete, assured his colleagues from Egypt, Sudan, Uganda and the Central African Republic that President Mobutu's call for a separate organization would not generate further conflict within the OAU; the meeting of the five foreign ministers ended with the issuance of a joint communiqué calling for increased efforts to preserve the organization.[8] Zaire and its four neighbors and near neighbors share an antipathy to Libya, but they would be divided by the creation of an all-black organization.

In November, when Morocco left the OAU because the OAU admitted the Western Sahara, Zaire announced it was suspending its participation also. The announced grounds were legalistic; the OAU was violating the precedent of not admitting governments in exile, but it was not difficult to discern two additional motives, namely, solidarity with Morocco (whose troops had rescued the Mobutu regime during the two invasions of Shaba in 1977 and 1978), and dissatisfaction with an OAU increasingly dominated by a leftist majority.

On a global basis, Zaire continues to elicit support from a wide variety of sources, including China and France. Recently, however, its relations with Israel, the United States, and Belgium have been particularly important.

Relations with Israel, restored only in 1982, have become increasingly warm. In January, 1984, Israeli President Chaim Herzog became the highest-ranking Israeli

[7]"African Update," *Africa Report*, November–December, 1984, p. 52.
[8]Ibid.

official ever to visit Zaire. Several agreements were announced; at least three large Israeli corporations planned to discuss investment in Zaire; the Israeli military would help expand the Special Presidential Brigade into a full division; and Mobutu would visit Israel at some time in the future.[9]

Relations with Belgium, Zaire's former colonial master, continue to follow a roller coaster course, in which economic interests alternate with less tangible but more highly charged interests. Belgium remains Zaire's most important trading partner and a major source of foreign aid. However, disagreeable incidents regularly upset relations between the two states. In March, 1984, a Belgian court authorized the seizure of an Air Zaire plane on the ground in Ostend, at the behest of a former pilot owed back pay by the airline. Zaire promptly retaliated by blocking a Sabena plane at Kinshasa airport. The Moba invasion in November, 1984, temporarily made relations worse, with Zaire charging that Belgian nationals and Zairians in exile in Belgium helped launch the operation.

The motivation of Zaire's foreign backers varies somewhat. Belgium's motivation is strictly economic. Israel has diplomatic objectives, namely, to secure a foothold in black Africa, part of its effort to regain the support it lost not only in Zaire but elsewhere in Africa during the 1970's. American motivations are mixed; beyond a concern with the debt and foreign investment policies, the United States has a geostrategic interest. United States decisionmakers see Zaire as vital to maintaining friendly governments in central Africa. Mobutu seems to understand geopolitics.

Zairians still discuss their problems in terms of a "crisis," but that term seems inadequate to describe a situation that has existed since 1973 and is likely to continue. The relationship between Mobutu and his associates, on the one hand, and their international backers, on the other hand, seems as much a stalemate as a compromise. The international backers are keeping the regime afloat by granting financial, diplomatic and military aid, but in so doing they are prolonging Zaire's status as an international "basket case." Instead of providing the basis for increased production, Zaire's resources are divided between repayment of the debt and the continued enrichment of its leaders. ■

[9]Only weeks after Herzog's visit, President Hosni Mubarak of Egypt visited Zaire; it was announced that Egypt would expand the training of Zairian military personnel in Egyptian academies. See "African Update," *Africa Report*, March–April, 1984, p. 37.

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## AFRICA'S DEVELOPMENT

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United States bilateral economic assistance to 43 African countries will exceed $1 billion in 1985. The United States is also the largest donor to the World Bank and its soft-loan affiliate, the International Development Association.

United States bilateral aid serves a number of United States interests in Africa, only one of which is promoting development. A look at the allocation of United States aid by country underlines the political objectives of that aid. The largest recipient of United States aid in sub-Saharan Africa is the Sudan, with nearly $200 million per year. Liberia is second with $73 million, followed by Somalia, with $70 million, and Kenya, with $60 million. (Military assistance, and emergency food aid will increase these totals further.) Large United States aid programs in the Sudan, Somalia and Kenya reflect United States interests in the Middle East and the Indian Ocean. The Sudan has supported United States policies in the Middle East, is strategically situated next door to Egypt, and is occasionally threatened by Libya. Somalia and Kenya have agreed to provide access to transport facilities for the United States military in the event of a military emergency in the Persian Gulf or the Indian Ocean. Liberia, which has had a "special relationship" with the United States, provides important communications facilities.

United States bilateral aid has always served United States political objectives abroad, and this is unlikely to change in the future. The question raised by some of the statements and actions of the current administration is whether the political element in United States aid has become so prominent that it threatens to undermine a development objective. The United States sharply cut its aid to Zimbabwe in the wake of Zimbabwe's abstention in the United Nations on the resolution condemning the Soviet destruction of the Korean airliner and its support of the resolution condemning the United States invasion of Grenada. United States aid to Ghana was discontinued entirely (apart from food aid) after an official of that government accused the United States ambassador of plotting to overthrow the current government and refused to apologize publicly although Ghanaian government officials apparently acknowledged privately that the accusation was false. (This aid program has now been resumed even though no public apology has been forthcoming.) It is generally acknowledged that both Zimbabwe and Ghana are trying to operate their economies efficiently. Ghana, in particular, has become a test case of the effectiveness of policy reform with the stringent austerity measures pursued by the government of Flight Lieutenant Jerry Rawlings.

These changes in aid levels as well as statements by Reagan administration officials that United States aid should be used to reward "proven friends" all point to a

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## TANZANIA

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1984. In his budget address, Minister for Finance Cleopa Msuya aligned himself squarely with the new generation of economic reformers.[13] The shilling was devalued by approximately 30 percent (from Shs13 = US$1 to Shs17 = $1) and comparable increases in agricultural producer prices were implemented. Msuya also announced a series of tax increases that would help reduce the budget deficit and would thus ease inflationary pressures on the nation's economy, and a set of measures to stimulate greater efficiency and productivity in the parastatal sector.

The critical question for Tanzania's future is whether these reforms will be implemented. Powerful opposition can be expected from segments of the governing party that have a stake in current arrangements. Tanzania's system of state monopolies was not the work of a single individual nor was it brought about rapidly. It consists of a labyrinthian bureaucratic apparatus supported and sustained by legions of party members who benefit from their privileged position. These individuals and the ministries they dominate will undoubtedly oppose fundamental reform of the economy. Their opposition will be publicly presented as a defense of Tanzania's socialist system.

Tanzania's future depends on President Nyerere. Although he is widely discredited, Nyerere retains enough influence to effect major shifts in policy. It was widely expected that Prime Minister Edward Sokoine would act as political champion for the economic reformers who have surfaced within the Tanzanian bureaucracy. But his untimely death in the spring of 1984 prevented that possibility. The present Prime Minister, Salim Ahmed Salim, is better known for his prowess in international affairs than for his interest in domestic policy, and this may limit his impact on the economy.

President Nyerere has announced that he will resign by the end of 1985 and that thereafter his only position will be head of the CCM. He may view this role as an opportunity to preserve his socialist program. In that case, Tanzania is destined only for a further deepening of its already calamitous economic crisis. ■

[13]The budget speech for 1984–1985 is reprinted in *The Daily News* (Dar es Salaam), June 16, 1984.

## SOUTH AFRICA

*(Continued from page 158)*

Minister of Cooperation and Development P. G. J. "Piet Promises" Koornhof have not been enacted. Still, many restaurants, municipal bus systems, and places of entertainment are integrated, and interracial athletic competition is commonplace. More funds have been allocated for black housing projects in urban areas, though pessimists regard them as labors of Sisyphus in view of a partial relaxing of influx control measures and the continuing high birthrates among nonwhites. Education has long been mandatory for all children. But a severe shortage of qualified black teachers leaves the problem of widespread literacy unresolved, although provincial governments have on many occasions looked the other way when private white schools have enrolled nonwhite pupils on an individual basis.

The government has repeatedly promised to scrap the Mixed Marriages Act if the nation's churches have no objection. Most denominations, including the largest Dutch Reformed church, which long defended apartheid as a Christian response to cultural pluralism, no longer object to interracial marriages. Still, a few ecclesiastical bodies and many individual Christians believe that racial segregation is divinely ordained. Moreover, it is difficult to see how the Mixed Marriages Act could be struck from the books without modifying the Group Areas Act and other cornerstones of the apartheid system.

### THE NATIONALIST PROGRAM

Notwithstanding these obstacles to its program of slow-paced reform and the discontent in Afrikanerdom, the National party has tightened its grasp on the governance of South Africa and has begun to attract large numbers of Anglophone voters who see no acceptable alternatives in the platforms of the other parties. In the 1983 referendum, a majority of voters in nearly every district of the country responded positively to the Nationalists' call for approval of the projected new dispensation. A nationwide poll conducted in mid-1984 confirmed the massive if not necessarily enthusiastic support the National party has gained by its gradualist approach to reform. According to the poll, 55.8 percent of all respondents favored the Nationalist party, an increase from 43 percent two years earlier. As expected, the lion's share of Afrikaners—69.1 percent—supported the Nationalists, despite defections by ultraconservatives in the early 1980's. More surprising is the sympathy the National party enjoys among English-speaking whites, who formerly shunned it as the party of Afrikanerdom that was responsible for the ostracism of South Africa in the world community. In July, 1984, 35.2 percent of this group said they would vote Nationalist, a figure unthinkable only a few years earlier.[4]

One reason for this shift may lie in a commonly held belief that neither of the two opposition parties to the left of the Nationalists, both of them chiefly Anglophone, can offer acceptable counterproposals, given the depth and breadth of segregationist attitudes and practices and the cultural gaps that underlie them. The once powerful New Republic party (NRP), the heir of Jan Smuts's United party, is strong only in Natal, and appealed to only 4.9 percent in the 1984 poll. Its proposals to make some features of apartheid optional on the local level and recast South Africa as a confederation based largely on race

[4]*Rapport* (Johannesburg), July 29, 1984.

have been partly outflanked by the new constitution, which the NRP supports as a step toward further reform.

The Progressive Federal party (PFP), meanwhile, suffered a defeat when it urged voters to reject the government's constitutional proposals in 1983 and work instead for a system that would include the black majority. In the July, 1984, poll its support had dropped to 17 percent.[5] Many voters feared that PFP alternatives would lead to "one man, one vote" politics, the nightmare of white South Africans generally. This, a very frequently heard argument runs, would turn South Africa into "another Zimbabwe" socially and economically, leading ultimately to black majority rule and discrimination against whites. Loyal Progressives naturally deny this, pointing instead to the need for a strong opposition and for bringing blacks peacefully into the governance of the nation, particularly in view of the powers given the President under the new constitution.

To the right of the government, two Afrikaner-dominated parties and several other groups want to turn the clock back to the 1970's if not earlier by abrogating concessions to demands for racial integration. The Herstigte Nasionale party (HNP, the Reconstituted National party), was formed in 1969 as a reaction to a perceived moderating tendency in the ruling National party. Postulating that racial identities are divinely ordained, it insists that

> anti-Christian and anti-national attempts to force cultural uniformity, racial integration, and the preparation for a one-world state must be continually opposed so that the Creator may be glorified through a diversity of Christian national cultures.[6]

The HNP has dwindled in South African politics, partly because the Conservative party, founded in 1982 by Andries Treurnicht and other disaffected Nationalists, has garnered most of the far-right vote. Both parties opposed the granting of a legislative role to Asians and Coloureds, but the results of the 1983 referendum indicate that the support of total and permanent apartheid, the *raison d'être* of the far right, has become shaky. Parliamentary by-elections in November, 1984, were swept by Nationalist candidates, who won by large pluralities in all but one constituency, Primrose in the Transvaal, where a Conservative lost by fewer than 800 votes.

Most observers conclude that the National party thus controls the electoral field as well as Parliament and can continue on its course of very cautious and limited reform without fear of an effective rightist backlash or progressive demands that blacks be enfranchised. Similarly, neither half-hearted "constructive engagement" by the administration of United States President Ronald Reagan (which is popular among white South Africans) nor porous boycotts involving the sale of military hardware and certain other merchandise to South Africa, has prompted much change. Any change is far more easily explained by domestic factors.

The white churches of South Africa have always been vehicles of ethnic identity. In recent years, however, several denominations have openly opposed apartheid in word and deed, calling for an end to racial separation in the church and, to varying degrees, in society generally. In 1982, the World Alliance of Reformed Churches suspended from membership its two Dutch Reformed denominations, and in 1984 the Lutheran World Federation suspended two South African denominations.

Some of the affected groups have subsequently begun to rethink their positions and are expected to adopt positions acceptable to the world organizations if not to their most conservative members. The South African Council of Churches, long a vocal foe of apartheid, survived a public investigation of its activities and finances in 1984. Its General Secretary, Desmond Tutu, an outspoken black opponent of the Nationalist government, received the Nobel Peace Prize a few months later. As South Africa, which by international standards is a religious society, becomes more secularized, the voice of its churches may diminish as a political and moral force. On the other hand, many members of the clergy and lay people, chiefly in the English-speaking churches, have become advocates of far-reaching social reform, as have a much smaller but significant number of Afrikaner Christians.[7]

Most white South Africans realize, however reluctantly, that change must continue; some understand that demographic shifts alone will force change. Nonwhites increase by approximately three percent annually, whites by slightly less than one percent. Massive black urbanization makes the resultant widening of the ratio steadily more perceptible. Liberals reason that white bargaining leverage in negotiating what they regard as an inevitable sharing of power with the black majority will continue to dwindle and that therefore a settlement should be made sooner rather than later. Their arguments are lost on conservatives whose minds have been narcotized by the decades of doom-crying.

Those who dream of unending white supremacy, meanwhile, have much to buoy their spirits. They can point to possibly immense deposits of oil recently discovered near Mossel Bay, divisions in Asian and Coloured ranks about accepting a parliamentary role, and disagreement among blacks about disinvestment, demonstrations, strikes, school boycotts, and other issues. White South Africans know that they have a highly modern military with which no neighboring state can contend effectively, plus a sophisticated system of internal security. Punishment for various sorts of crimes ranges from

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[5]Ibid.

[6]Herstigte Nasionale Party van Suid-Afrika, "Basis, Aims and Objectives and Principles," p. 5.

[7]For an overview of the South African churches and their relationship to society, see John W. de Gruchy, *The Church Struggle in South Africa* (Cape Town: David Philip, 1979). A useful compilation of recent essays on the theological implications of apartheid is John W. de Gruchy and Charles Villa-Vicencio, eds., *Apartheid Is A Heresy* (Cape Town: David Philip, 1983).

whippings to death; in most years more than 100 people, most of them blacks, have been executed. Amnesty International reports the continuing "gross ill-treatment of criminal prisoners," the occasional deaths of people in police custody, and the torture of individuals detained without charge in South Africa.[8]

Whether the government's crackdown in late 1984 on public disorder after the most violent urban unrest in years shook South Africa heralds tougher measures to come is impossible to say. In any event, that wave of disturbances underscores widespread black wrath at being excluded from the new political order, despite efforts by Minister of Law and Order Louis le Grange, the South African Broadcasting Corporation, and much of the Afrikaans press to dismiss the disturbances as inspired solely by a handful of professional agitators or, incredibly, mere hooliganism. If tensions mount and economic frustrations continue, a softening of government policy is hardly likely.

White South Africans thus proceed toward a troubled future, unsure how to preserve their position of superiority and torn by divisions in their own ranks. Few doubt that at best they face continuing economic woes and a long period of instability. Most have resigned themselves to living in an atmosphere of political uncertainty and social change. For a minority, predictions of eventual black majority rule have gained plausibility. These and other unanswered questions about the future, coupled with the constricted state of the economy and increasing black demands, have placed the country under a shroud of gloom.

In the meantime, the nation's recession and its costly involvement in Namibia militate against the speedy redress of social and economic inequality and virtually ensure that the preservation of white identity and domination will continue in an atmosphere of uncertainty and instability for many years to come.[9] ■

[8] *Amnesty International Report 1984* (London: Amnesty International Publications, 1984), pp. 92–95.

[9] A useful anthology of essays analyzing recent changes in South Africa and their possible impact on the future of the country is D. J. van Vuuren, et al., *Change in South Africa* (Durban and Pretoria: Butterworth Publishers, 1983).

## AFRICA'S DEVELOPMENT

*(Continued from page 183)*

strong emphasis on the political use of bilateral aid. The emphasis on aid to serve political objectives is even more clearly shown in the United States position on the IDA's seventh replenishment. In the first weeks of the Reagan administration's first term, a proposal was floated by the Office of Management and Budget to eliminate all United States funding for all multilateral development institutions. This proposal was quickly abandoned when developing countries and United States allies objected strongly, but the administration's distaste for the multilateral institutions remains and is reflected in the United States policy on a reduced replenishment for IDA. One official of the Reagan administration explained the basis for this distaste: multilateral development institutions are less amenable to United States control than bilateral aid programs and are less useful in promoting political objectives abroad.

The strong political emphasis in United States aid implicitly contradicts the World Bank and IMF emphasis on using aid to promote policy reform on the continent. The United States has recognized that the most appropriate institutions to take the lead in policy-based lending in Africa are multilateral—the World Bank and the IMF. Yet United States policies have effectively limited the Bank's ability to take such leadership by reducing the funds available to IDA for lending to Africa. More broadly, the slow increase in United States economic assistance (excepting emergency food aid which has recently risen sharply) has been a major factor in the stagnation in concessional resource flows to the continent, at a time when Africans are under great financial pressure and additional resources are desperately needed.

The deepening economic crisis in Africa, the reexamination by Africans of their own economic policies and structures and the clear beginnings of change on the continent present the second Reagan administration with a challenge. Will it decide that United States interests in Africa's economic future are strong enough to support a more consistent and adequate response to current needs and opportunities on the continent? ■

## GHANA

*(Continued from page 168)*

imported goods and services, permitting the full impact of the increased costs to be passed on to consumers, with devastating impact. Price controls, involving far lower subsidy levels, were retained on only 23 widely used essential commodities. Interest rates were raised.

Wages and salaries, however, were not raised sufficiently to cover the vastly increased prices. Real wages in 1982 were only 16 percent of their 1975 level. The minimum wage, under strong union pressure, was increased in successive stages from ₵12.50 per day to ₵70 per day in December, 1984, leaving wage and salary earners worse off than they were in April, 1983. Moreover, the wages for more highly paid personnel were increased by smaller percentages than the minimum wage, compressing wage differentials and driving skilled workers and professionals out of the public service into the private sector or abroad. In order to break inflation, real government deficits were drastically reduced, from 4.4 percent of the GDP in 1982 to 2.6 percent in 1983. In a key component of the adjustment program, Ghana was to receive an infusion of foreign capital from the IMF and World Bank so that the adjustment would generate growth, not just depression.

Thus far, the outcome of this program has not been very beneficial. Unfortunately, Ghana suffered several

disasters in 1983. It had the sparsest rainfall in 50 years, compounded by widespread bushfires that destroyed food and cocoa crops and led to a new low in cocoa production (156,000 tons) and a massive decline in food crops. This generated an increase in local food prices of 145 percent (vs. 36 percent in 1982).[6] Ghana's third drought year in a row could not be affected by any supply-inducing price increases. In addition, the forced return of a million Ghanaians from Nigeria strained limited food and other supplies. The low rainfall reduced the water levels in Lake Volta so that electricity production was sharply curtailed and rationed and the Valco aluminum refinery was forced to close, limiting tax receipts and foreign exchange earnings and making useless the large new rate increases extracted from Valco. Severe foreign exchange constraints and an accident at the refinery reduced oil imports in 1983 by 62 percent, crippling production and transport. Further, there was a fairly slow disbursement of aid by both multilateral and bilateral donors in 1983, although aid increased significantly in 1984 and will again in 1985.

Ghana's real GDP increased by a mere 0.7 percent in 1983 and a projected 5.6 percent in 1984, largely as a result of good rains and bumper crops. Food prices, however, remained above their 1982 level. Ghana's economy badly needed adjustments in relative prices, increased incentives to producers, and large grants of foreign aid. But apparently the adjustment process has been too rapid and extreme and cannot in the near future raise Ghanaian living standards. The required adjustments assume that Ghana can respond rapidly to changes in relative prices. But that is apparently not possible. The shortfalls in economic performance thus far have in part been traced by the World Bank to the failure of Ghana's economy to respond to price incentives with new supplies; such a response is not forthcoming because of continuing foreign exchange and transport constraints.

The government's success in cutting budget deficits to meet relatively arbitrary levels set by the IMF involved drastic cuts in already low capital investment outlays, which slowed recovery. The World Bank is recommending another doubling of cocoa producer prices, because in 1984 they were only 43 percent in real terms of 1970 prices. This will require another cedi devaluation and assumes that the precipitous three-year decline in cocoa production has not been strongly influenced by three drought years. Many public sector firms are currently engaged in large layoffs or "redeployments," which will reduce employment, incomes, and effective demand.

It is anticipated that a "born again" private sector will generate new jobs but, given the strong role of WDC's in many firms, this may involve a labor-repressive policy that would alienate many supporters. ■

[6]There was extensive malnutrition among children in rural areas and a large increase in diseases. See M. Posnansky, "Ghana: Hardships of a Village," *West Africa*, October 29, 1984, p.2161.

## UGANDA

*(Continued from page 173)*

control. In addition, a credible guerrilla threat in the center of the country and banditry producing devastation and virtual depopulation in the country's northern corners have left an insecure and jittery citizenry despite the restoration of peace in many districts.

Nevertheless, Obote's UPC government has worked out a coherent economic policy that increased foreign exchange earnings and foreign assistance. Whether this policy was designed to benefit much of its population or just to restore Uganda's position as a peripheral capitalist state, one may ask whether its economic success—now apparently approaching its limit—will provide enough tangible benefit to enough people to stave off the government's political collapse. And even if it avoids that collapse, is that achievement worth the enormous personal costs? Elections scheduled for December, 1985, are not likely to draw the sting from these questions. ■

## GUINEA

*(Continued from page 178)*

government. Apparently, the tension and conflict center around the President and the Prime Minister—and the absence of a clear definition of each leader's authority. Several reporters have also noticed a trend toward regionalism, as evidenced by the disproportionate number of individuals from the President's ethnic group among the new ambassadors and other appointees.

Because Touré led a war against the Mandinka people of the city of Kankan and against the Fulah people in the late 1960's and in 1976, respectively, it is believed that an enlightened leadership must avoid "tribalism," an ideology of mediocrity, and national disintegration. The Cabinet change in December, 1984, and the suppression of the office of Prime Minister, while viewed as a step toward the consolidation of the President's power, appeared to reduce the influence of the leaders from Upper Guinea, because most of the ministers who lost their positions come from this region. Finally, many observers believe that the decision to close the diamond field of Banankoro to local Guinean miners, although financially justifiable, is unwarranted at this time, and hence it is unpopular.

Despite all these difficulties, Guineans still enjoy the right to travel, to speak and to trade freely. President Conté has promised to safeguard those fundamental rights and to work for better living conditions in Guinea. The suppression of the head tax in kind that oppressed the peasants and the new educational reform testify to the government's understanding of the need for change. To promote the beginning of a new era, President Conté and his government may have to launch a vast national program of national reconciliation and of economic, political, and cultural development that can encourage investment and contribute to the people's well-being. ■

# THE MONTH IN REVIEW

*A Current History chronology covering the most important events of February, 1985, to provide a day-by-day summary of world affairs.*

## INTERNATIONAL

### Association of Southeast Asian Nations (ASEAN)

Feb. 11—ASEAN calls for a worldwide effort to send military aid to the Cambodian rebel coalition trying to overthrow the Vietnamese-backed government in Kampuchea.

### Contadora Process

(See *Nicaragua*)

### Inter-American Development Bank

Feb. 7—The U.S. delegate to the bank abstains on a vote for a loan to Chile; this is the 1st time the U.S. under President Ronald Reagan has not supported a bank loan for Chile.

### International Atomic Energy Agency (IAEA)

(See *U.S.S.R.*)

### Middle East

(See also *U.S., Foreign Policy*)

Feb. 21—Two days of talks between the U.S. and the U.S.S.R. over the Middle East end in Vienna.

### Mutual and Balanced Force Reduction Talks (MBFR)

Feb. 14—The Soviet delegate proposes the mutual withdrawal of 33,000 Warsaw Pact and North Atlantic Treaty Organization (NATO) troops; the Western delegates say the proposal does not address their concern that the Warsaw Pact underestimates its troop strength.

### United Nations (UN)

(See also *Ethiopia; France*)

Feb. 1—The World Bank (International Bank for Reconstruction and Development) announces that 13 nations have joined with the Bank to pledge more than $1 billion in long-term economic aid to Africa.

Feb. 14—The deputy director general of UNESCO (United Nations Educational, Scientific, and Cultural Organization), Gerrard Bolla, says that UNESCO expects to receive $6 million in aid this year from the Soviet Union and other countries to ease the financial crisis caused by the United States withdrawal from UNESCO.

Feb. 17—Meeting in Paris, the UNESCO executive board agrees that UNESCO should retain close ties with the U.S.

Feb. 21—Secretary General Javier Pérez de Cuéllar releases a report that concludes that both Iraq and Iran mistreat their prisoners of war.

Feb. 28—The UN Human Rights Commission releases a report detailing "gross violation of human rights" by Soviet troops in Afghanistan.

## AFGHANISTAN

Feb. 2—In Moscow, the Communist party newspaper *Pravda* reports that the Afghan government has delivered a formal protest note to the Chinese embassy protesting alleged Chinese military support for Afghan rebels.

Feb. 12—Western diplomats in New Delhi, India, tell reporters that Afghan guerrillas killed 60 soldiers in 2 recent rocket attacks on hospitals in Kabul.

## ARGENTINA

Feb. 18—The government announces that Economics Minister Bernardo Grinspun and central bank president Enrique García Vázquez have resigned.

Feb. 19—After swearing in Juan Sourrouille as the new economics minister and Alfredo Concepcíon as the new central bank president, President Raúl Alfonsín says he does not plan any major economic changes.

Feb. 21—Writing from Spain, Isabel Martínez de Perón reportedly sends a letter to Peronist party leaders that contains her "irrevocable" resignation as party head.

## AUSTRALIA

Feb. 7—Prime Minister Robert Hawke says Australia will hold separate military exercises with the U.S.; yesterday New Zealand banned U.S. ships carrying nuclear weapons from its ports.

## AUSTRIA

Feb. 1—Defense Minister Friedhelm Frischenschlager wins a confidence vote in Parliament; last week Frischenschlager greeted Nazi war criminal Walter Rader on his return to Austria.

## BULGARIA

Feb. 7—According to *The New York Times,* at least 100 ethnic Turks have been killed by security forces in a drive to make the Turks in Bulgaria adopt Bulgarian names.

## CANADA

Feb. 27—Deputy Prime Minister Erik Nielsen is named Defense Minister; he replaces Robert Coates, who resigned earlier this month.

## CHILE

(See also *Intl, Inter-American Development Bank*)

Feb. 2—The military government of President Augusto Pinochet renews a state of siege order he signed on November 6 that censors the press and bans 6 magazines; "dissidents" can be held indefinitely without trial.

Feb. 12—After yesterday's resignation of the entire Cabinet, Pinochet reappoints 14 of its original members; Interior Minister Sergio Onofre Jarpa and Finance Minister Luis Escobar, who argued privately against the state of siege renewal, are not reappointed.

## CHINA

(See also *Afghanistan*)

Feb. 2—Deputy Minister of the State Planning Commission Fang Weizhong says that China plans large increases in imported Western machinery and high-technology.

Feb. 20—Chinese Communist party General Secretary Hu Yaobang says that "leftist nonsense" in the 1960's and 1970's "wasted 20 years" in China's attempt to modernize its economy.

## CUBA

(See also *U.S., Foreign Policy*)

Feb. 2—It is reported in Miami, Florida, that Antonio Pérez Herrero was removed from the Communist party Secretariat because of "errors"; Herrero reportedly criticized President Fidel Castro's moves toward accommodation with the U.S.

### CYPRUS

Feb. 22—The Parliament censures President Spyros Kyprianou for refusing to accept a UN-sponsored draft agreement with Turkish Cypriots.

### DOMINICAN REPUBLIC

Feb. 5—Former President Juan Bosch, the head of the leftist opposition Dominican Liberation party, is placed under house arrest for "insulting" the government; 2 protesters were killed by police yesterday during demonstrations against price increases.

### EGYPT

(See also *Israel*)

Feb. 5—President Hosni Mubarak says that Israel is not being flexible "for the sake of peace" in the Middle East; his remarks follow yesterday's criticisms of Egypt by Israeli Prime Minister Shimon Peres.

Feb. 24—President Mubarak says he is willing to host a meeting between the PLO (Palestine Liberation Organization), Jordon, Israel and the U.S. if the U.S. will participate in the Jordanian-PLO peace talks.

### EIRE

Feb. 19—Parliament approves a resolution that allows the government to seize over $1 million in a bank account thought to belong to the Irish Republican Army.

### EL SALVADOR

(See also *U.S., Foreign Policy*)

Feb. 3—Guerrillas and government forces agree to a day-long truce to allow the inoculation of 400,000 children.

Feb. 7—The rightist-dominated Supreme Court rules that President José Napoleón Duarte unconstitutionally vetoed an electoral law in December, 1984.

Feb. 8—Tutela Legal, the human rights monitoring group of the Roman Catholic Church, reports that killings by rightwing and security forces rose from 12 in December to 29 in January.

Feb. 17—Roman Catholic Archbishop Arturo Rivera y Damas says that government troops are blocking the food supply to villagers in the northern part of the province of Chalatenango where civilians are reportedly sympathetic to the guerrillas.

### ETHIOPIA

Feb. 1—A UN official in Ethiopia says that the government will arm convoys that transport food to rebellious northern provinces; many observers report that the government is withholding food from rebel areas.

Feb. 23—The Foreign Ministry demands the return of 12,000 Ethiopian Jews who were airlifted to Israel.

### FRANCE

(See also *West Germany*)

Feb. 10—The French Communist party ends its 25th congress; George Marchais is reelected party general secretary; Pierre Juquin is removed from the Politburo.

Feb. 13—The government announces that it is giving $2 million to UNESCO in 1985.

Feb. 23—Several terrorist groups take responsibility for this morning's bombing of the British-owned department store Marks & Spencer in Paris; 1 man was killed and 15 were wounded in the attack.

### GERMANY, WEST

Feb. 1—Ernst Zimmermann, chief executive for a German manufacturer of tank and plane engines, is shot and killed in his home outside Munich; the Red Army Faction takes responsibility for the killing.

Feb. 5—West Germany and France agree to set up an antiterrorist hotline.

Feb. 9—In Munich, Chancellor Helmut Kohl says it is too early to "reach a final judgment" on U.S. President Ronald Reagan's proposed Strategic Defense Initiative (SDI).

Feb. 23—Foreign Minister Hans Dietrich Genscher officially steps down as head of the Free Democratic party; Martin Bangemann, the minister for economic affairs, will replace him.

### GREECE

Feb. 3—Greek police say that yesterday's bombing in a bar near an Athens suburb was the work of an anti-American terrorist group. 78 people, mostly U.S. military personnel, were wounded in the attack.

Feb. 21—Nikos Momferatos, the publisher of the conservative newspaper *Apogevmatini,* is shot to death by a leftist group called the November 17th Group.

### GRENADA

(See *U.S., Foreign Policy*)

### GUATEMALA

Feb. 22—The head of the military government, General Oscar Humberto Mejía Victores, says that Guatemalans will elect a civilian Congress and President on October 24.

### INDIA

Feb. 5—The government announces that it is taking "appropriate action" against a Polish and an East German diplomat who are accused of receiving government secrets.

Feb. 18—Naga rebels in northeastern India kill 15 soldiers and local militia.

### IRAN

(See also *Intl, UN; Iraq; Nicaragua*)

Feb. 13—In Vienna, the Iranian embassy reports that Iraqi planes attacked a nuclear power plant under construction in the port of Bushire yesterday; 1 man was killed.

### IRAQ

(See also *Intl, UN; Iran*)

Feb. 12—The Iraqi government says its planes have attacked 2 ships in the Persian Gulf near the Iranian oil terminal at Kharg Island; a spokesman for the Greek merchant marine reports later that a fully loaded Greek oil tanker was hit.

### ISRAEL

(See also *Egypt; Ethiopia; Lebanon*)

Feb. 4—Prime Minister Shimon Peres says that Egypt has not responded to Peres's efforts to improve relations between the 2 countries.

Feb. 7—Government officials in Jerusalem tell reporters that Israel has agreed to permit the U.S. to build a Voice of America transmitter that can broadcast propaganda to Soviet Central Asia and Afghanistan.

Feb. 9—A new population study produced by the West Bank Data Project, an independent research group, shows that there are 42,500 Israeli settlers in the occupied West Bank.

Feb. 20—Peres offers to go to Jordan for peace talks; he says he would welcome a visit by Jordan's King Hussein.

Feb. 27—Prime Minister Peres tells Egypt that Israel is willing to engage in direct talks with a Jordanian–Palestinian delegation so long as the PLO is not included.

### JORDAN

(See also *Egypt; Israel*)

Feb. 23—The government makes public a joint PLO-Jordanian proposal for peace in the Middle East; the new agreement lists 5 conditions, including the return of Arab-occupied lands and Palestinian self-determination.

### KAMPUCHEA

(See also *Intl, ASEAN; Thailand*)

Feb. 15—The Thai military reports that the last Khmer Rouge camp in western Kampuchea has been taken by the Vietnamese; at least 40,000 Cambodian refugees have been evacuated to Thailand.

### KOREA, SOUTH

(See also *U.S., Foreign Policy*)

Feb. 9—The government admits that it used force to separate returning opposition leader Kim Dae Jung from his American party (including 2 U.S. Congressmen) when Kim and the Americans arrived in Seoul yesterday. Kim is under house arrest.

Feb. 10—U.S. Ambassador to Korea Richard L. Walker says that some of the Americans who accompanied Kim to Korea provoked the security police action; the Americans deny the charge.

Feb. 13—Results from yesterday's National Assembly elections show that a new opposition party, the New Korea Democratic party, gained 35 seats; the ruling Democratic Justice party retained its majority with 149 seats.

Feb. 18—President Chun Doo Hwan reorganizes his Cabinet, appointing 12 new members; former chief of national security Lho Shin Yong is named Prime Minister.

### KUWAIT

Feb. 23—The ruling Sheik, Jaber al-Ahmed al-Sabah, asks the Cabinet to resign. A new Assembly is to take office March 9.

### LAOS

Feb. 22—U.S. military officers arrive in Bangkok with the remains of several U.S. soldiers killed during the Vietnam war; the remains were found in Laos during a joint Laos-U.S. recovery effort.

### LEBANON

Feb. 1—Twelve people are killed in Tripoli when a car bomb explodes; 60 people are wounded. No group takes responsibility.

Feb. 10—A car bomb in Tripoli kills 5 people; a car bomb in Beirut kills 2 people. No group takes responsibility, but Prime Minister Rashid Karami blames Israel.

In southern Lebanon, 3 Israeli soldiers are killed by Palestinian guerrillas. Israeli jets bomb a Palestinian base at Taalbaya, injuring 2 people.

Feb. 14—Jeremy Levin, a U.S. reporter for the U.S.-based Cable News Network, escapes from Islamic extremists who kidnapped him 11 months ago; 4 kidnapped Americans are still being held by Islamic groups in Lebanon.

Feb. 16—The 1st stage of a 3-stage Israeli pullout from southern Lebanon begins as 300 soldiers leave the Sidon area and move south of the Awali River.

Feb. 24—9 Lebanese villages are raided and sealed off by Israeli troops; Israeli troops sealed off 4 villages yesterday; Defense Minister Yitzhak Rabin calls the raids Israel's "iron fist policy" to stop guerrilla attacks.

Feb. 26—The Israeli army imposes a dawn-to-dusk curfew in southern Lebanon.

### LIBYA

Feb. 7—Four British workers who were detained by the Libyan government in 1984 are released and leave for Britain.

### NEW ZEALAND

(See also *U.S., Foreign Policy*)

Feb. 4—Prime Minister David Lange announces that his country has rejected an American request to allow a port call by a U.S. Navy destroyer because the U.S. will neither confirm nor deny that the ship carries nuclear weapons.

Feb. 11—In an interview with 2 U.S. reporters, Prime Minister Lange warns U.S. President Reagan not to retaliate economically against New Zealand.

### NICARAGUA

(See also *U.S., Foreign Policy*)

Feb. 3—President Daniel Ortega Saavedra says the U.S. seeks a military solution to U.S.–Nicaraguan problems.

Feb. 8—The government announces a 78 percent devaluation in the cordoba.

Feb. 13—Middle Eastern diplomats in Mexico City say that Iran has agreed to sell oil to Nicaragua; the terms of payment and the volume are to be discussed.

Feb. 25—Deputy Foreign Minister Victor Hugo Tinoco says that the Contadora peace process is "dead" because of President Reagan's bellicose remarks.

Feb. 27—Government officials say that they have requested a meeting with U.S. Secretary of State George Shultz in order to renew discussions on peace in Central America.

Ortega announces that Nicaragua will remove 100 Cuban military advisers and suspend indefinitely the acquisition of new arms systems. He calls for new talks between the U.S. and Nicaragua.

### PAKISTAN

Feb. 1—The military government bans newspapers from reporting on the opposition's call for a boycott of elections.

Feb. 21—The government says it has arrested hundreds of political opponents.

Feb. 26—Voters in yesterday's elections for the National Assembly defeat 7 of President Mohammad Zia ul-Haq's Cabinet aides. Thirty of the 70 Assembly members originally appointed by Zia are defeated. Opposition parties were not allowed to participate in the elections.

### PERU

Feb. 4—The guerrilla group Shining Path blacks out all of Lima as Pope John Paul II arrives.

### PHILIPPINES

Feb. 22—The trial of 26 people accused of killing opposition leader Benigno Aquino in 1983 begins in Manila; General Fabian C. Ver, the chief of staff, is one of the accused.

### POLAND

Feb. 7—Four state security guards found guilty of killing a pro-Solidarity priest in 1984 are sentenced to prison terms ranging from 14 to 25 years.

Feb. 11—Jozef Cardinal Glemp accuses the government of conducting a "malicious" campaign against the Church.

Feb. 15—Seven Solidarity activists in Gdansk are charged with inciting public unrest; 3 of the men are arrested.

Feb. 25—The government announces that it will not increase food prices; opposition from official labor unions and Solidarity evidently led to the suspension.

A U.S. military attaché and his wife are expelled for taking pictures near a restricted military zone; in retaliation, the

U.S. expells a Polish military attaché and calls off talks on scientific and technological cooperation.

### SAUDI ARABIA

(See *U.S., Foreign Policy*)

### SOUTH AFRICA

Feb. 1—The government announces that it is temporarily halting the relocation of blacks from white areas.

Feb. 3—Desmond M. Tutu, the winner of the 1984 Nobel Peace Prize, becomes Johannesburg's first black Anglican bishop.

Feb. 10—Zinzi Mandela, the daughter of jailed African National Congress leader Nelson Mandela, says her father has rejected the government's conditional offer of freedom.

Feb. 19—Six black activists are arrested by the security police and charged with treason.

At least 13 blacks have been killed by police in Crossroads, a black squatter camp outside Cape Town.

Feb. 21—The government announces that some blacks who live in legally recognized townships outside Cape Town will not be forced to move.

Feb. 28—Dennis Goldberg, a leader of the African National Congress, is released from prison after serving more than 20 years.

### SPAIN

Feb. 5—For the 1st time in 15 years, the border between Spain and the British crown colony of Gibraltar is opened.

Feb. 15—Prime Minister Felipe González says 2 U.S. diplomats were asked to leave 10 days ago because they were suspected of spying.

Feb. 28—Soviet Foreign Minister Andrei Gromyko meets with Prime Minister González.

### SUDAN

(See *U.S., Foreign Policy*)

### SYRIA

(See *U.S., Foreign Policy*)

### THAILAND

(See also *Kampuchea*)

Feb. 19—The government accuses Vietnam of using poison gas in its attacks on Khmer Rouge bases in Kampuchea; the government says 4 rockets containing the gases phosgene and hydrogen cyanide landed in Thai territory.

### U.S.S.R.

(See also *Intl, Middle East, MBFR, UN; U.S., Foreign Policy*)

Feb. 2—The Soviet press agency Tass denies U.S. accusations that the Soviet Union has violated 3 arms control agreements.

Feb. 6—The editor in chief of the Communist party newspaper *Pravda* says that President Konstantin U. Chernenko is ill.

Feb. 12—A scheduled meeting between Chernenko and Greek Prime Minister Andreas Papandreou is called off because of Chernenko's poor health.

Feb. 21—The government signs an agreement with the International Atomic Energy Agency that permits on-site inspection of some civilian nuclear power plants, but not advanced nuclear power plants.

### UNITED KINGDOM

#### Great Britain

(See also *Libya; Spain*)

Feb. 20—Prime Minister Margaret Thatcher tells a joint session of the U.S. Congress that she supports President Reagan's space research.

Feb. 25—More than 3,800 coal miners return to work; at least 49 percent of the striking miners have returned after 48 weeks on strike.

#### Northern Ireland

Feb. 28—Nine police officers are killed when Irish Republican Army guerrillas fire mortars into a police base at Newry.

### UNITED STATES

#### Administration

Feb. 4—President Ronald Reagan sends his proposed budget for fiscal 1986 to Congress; the $973.7-billion budget proposes an approximately $51-billion reduction in expenditures for fiscal 1986 and larger savings in subsequent years to reduce the projected deficit to $144.4 billion by 1988. The projected fiscal 1986 deficit would be $180 billion. Some 25 domestic programs would be eliminated and most others would be cut; military spending would rise 12.7 percent to $277.5 billion.

Feb. 5—Director of the Office of Management and Budget David Stockman tells the Senate Budget Committee that the U.S. military pension system is a "scandal."

Feb. 6—In his State of the Union Message to Congress, President Reagan calls for tax revision and economic growth with opportunity for all Americans, and the development of a strategic defense system against nuclear weapons.

Feb. 8—Transportation Secretary Elizabeth Dole announces that she will allow the Norfolk Southern Corporation, a railroad holding company, to buy the government's Conrail system (Consolidated Rail Corporation); Norfolk Southern will pay a minimum of $1.2 billion in cash for the government's 85 percent interest in Conrail.

President Reagan nominates General Vernon A. Walters to succeed Jeane Kirkpatrick as the chief U.S. delegate to the United Nations.

In a newspaper interview, President Reagan defends the military pension system.

Feb. 11—The National Center for Health Statistics reports that in 1982 life expectancy at birth reached a new high of 74.6 years: women have a life expectancy of 78.2 years and men, 70.9 years.

Secretary of Education William Bennett says the curriculums of the nation's colleges have fallen into "disarray."

Feb. 17—The cost of mailing a first-class letter rises to 22 cents; other mailing costs are also raised.

Feb. 22—Director of the Environmental Protection Agency (EPA) Lee Thomas outlines a $5.3-billion proposal to extend the toxic waste cleanup program for 5 years.

Feb. 23—In his weekly radio broadcast, President Reagan says that two-thirds of U.S. farmers have no debt problems; taxpayers should not be expected to save every farmer.

Feb. 24—Meeting in Washington, D.C., the National Governors' Association calls for a freeze on all federal spending except for programs aiding the poor.

Feb. 25—Edwin Meese 3d is sworn in as Attorney General.

#### Economy

Feb. 1—The Labor Department reports that the nation's unemployment rate rose to 7.3 percent in January.

Feb. 7—The Commerce Department confirms that the U.S. foreign trade deficit for 1984 was $107.6 billion.

Feb. 15—The Labor Department reports that its producer price index remained steady in January.

Feb. 18—The New York Stock Exchange's Dow Jones Industrial Average of 30 blue chip stocks closes at a record high of 1,297.92.

Feb. 21—In a corrected statement, the Commerce Department reports that the nation's gross national product (GNP)

rose at an annual rate of 4.9 percent in the last quarter of 1984.

Feb. 25—The U.S. dollar reaches record highs against foreign currencies.

Feb. 26—The Labor Department reports that its consumer price index rose 0.2 percent in January.

Feb. 28—The Commerce Department reports that the U.S. foreign trade deficit was $10.3 billion in January.

**Foreign Policy**

(See also *Intl, Middle East, MBFR, UN; Australia; Egypt; Germany, West; Greece; Israel; Korea, South; Laos; Lebanon; New Zealand; Nicaragua; Poland; Spain; U.S.S.R.; U.K., Great Britain*)

Feb. 1—The White House announces that South Korean President Chun Doo Hwan will visit President Reagan in April.

In a report to Congress, the White House charges the Soviet Union with violations of the 1972 treaty on antiballistic missiles and other arms control agreements.

Feb. 7—The State Department reports that 250 U.S. military personnel and a 400-member peacekeeping force from Caribbean nations will be withdrawn from Grenada over a 5½-month period, starting in April.

Feb. 11—President Reagan says the U.S. must develop a space-based defense system against offensive weapons even if the U.S. and the Soviet Union reach an agreement to eliminate nuclear weapons; he also supports additional aid to the insurgent forces in Nicaragua.

The U.S. Embassy in Mexico City announces that U.S. Drug Enforcement Administration agent Enrique Salazar has been kidnapped in Guadalajara, presumably by drug traffickers.

Feb. 13—Commenting on the State Department's annual review of human rights, Assistant Secretary of State for Human Rights Elliott Abrams says that only in Latin America is there any "overall trend" for improvement; the report cites "substantial progress" in El Salvador.

In a communiqué issued today, President Reagan and Saudi Arabia's King Fahd support their own Middle East peace proposals.

Feb. 14—In its annual report on worldwide narcotics traffic, the State Department says that most major drug-producing countries increased their crops in 1984.

White House spokesman Larry Speakes says that President Reagan will not take part in ceremonies in West Germany on May 8 to mark V-E Day.

Feb. 15—The State Department reports that the U.S. has expressed its appreciation to Syria for Syria's "positive role" in assisting U.S. journalist Jeremy Levin's escape from terrorists who kept him captive for 11 months.

Feb. 16—The State Department confirms that the U.S. has canceled a 2d set of its ANZUS (Australia, New Zealand, United States) military exercises with New Zealand and is reexamining its military ties with that country.

In a radio speech, President Reagan calls the insurgents in Nicaragua "our brothers."

Feb. 17—The State Department reports that the U.S., Saudi Arabia, West Germany and Britain have halted economic aid to the Sudan in an effort to pressure Sudan's President Gaafar al-Nimeiry to repair the Sudanese economy.

Feb. 19—The Cabinet Council on Commerce and Trade recommends the expiration next month of the "voluntary" quotas Japanese automakers are asked to meet for autos exported to this country.

Testifying before the House Foreign Affairs Committee, Secretary of State George Shultz says that the people of Nicaragua have "fallen behind the Iron Curtain" and that the U.S. has a "moral duty" to make sure this condition does not become permanent.

Feb. 21—In a news conference, President Reagan says he wants to "remove [the Sandinista government of Nicaragua] in the sense of its present structure, in which it is a Communist totalitarian state. . . ."

The U.S. Immigration and Naturalization Service reports that the 1st 23 of 2,700 undesirable Cuban aliens were returned to Havana today.

Feb. 25—Assistant Secretary of Defense for International Security Policy Richard Perle tells the Senate Foreign Relations Committee that it is "a mistake" for the U.S. to honor arms accords with the Soviet Union while the Soviet Union violates "important provisions" of these accords.

Feb. 27—The retiring commander of U.S. military forces in Central America, General Paul Gorman, tells the Senate Armed Services Committee that it will take "years" to change the Nicaraguan government even with continued U.S. economic and diplomatic aid to the insurgents there.

Feb. 28—White House spokesman Larry Speakes calls the February 27th peace proposals made by Nicaraguan President Daniel Ortega Saavedra ". . . nothing. . . ."

The State Department says the U.S. is "ready to get more actively engaged [in the Middle East peace process] if the parties that have to be engaged are ready to do so."

**Legislation**

Feb. 6—In a 93-1 vote, the Senate confirms William J. Bennett as education secretary, Donald P. Hodel as interior secretary and John S. Herrington as energy secretary.

Feb. 7—The Senate unanimously confirms Lee M. Thomas as director of the Environmental Protection Agency.

Feb. 23—After a week-long filibuster by farm state senators, the Senate approves Edwin Meese 3d as Attorney General in a 63-31 vote.

Feb. 25—Senator Russell B. Long (D., La.) announces that he will not seek reelection in 1986.

**Press Responsibility**

Feb. 17—After an 18-week trial, General William C. Westmoreland drops his $120-million libel suit against CBS: CBS will not disavow the 1982 documentary about the Vietnam War or pay any money to the general.

**Supreme Court**

Feb. 19—Ruling 5 to 4, the Supreme Court overturns a 1976 decision and says that federal minimum wage and hour standards cover publicly owned mass transit system employees; in effect, the ruling undermines the "new federalism" concept.

Feb. 26—In an 8-1 decision, the Supreme Court overrules a lower Oklahoma court and overturns the death sentence of Glen B. Ake, declaring that a state must provide free psychiatric aid to indigent criminal defendants preparing an insanity defense.

Feb. 27—In a 5-4 decision, the Court overturns a lower court decision and rules that the EPA is able to grant individual exemptions to some industrial plants modifying the regulation of toxic waste disposal into sewage treatment plants.

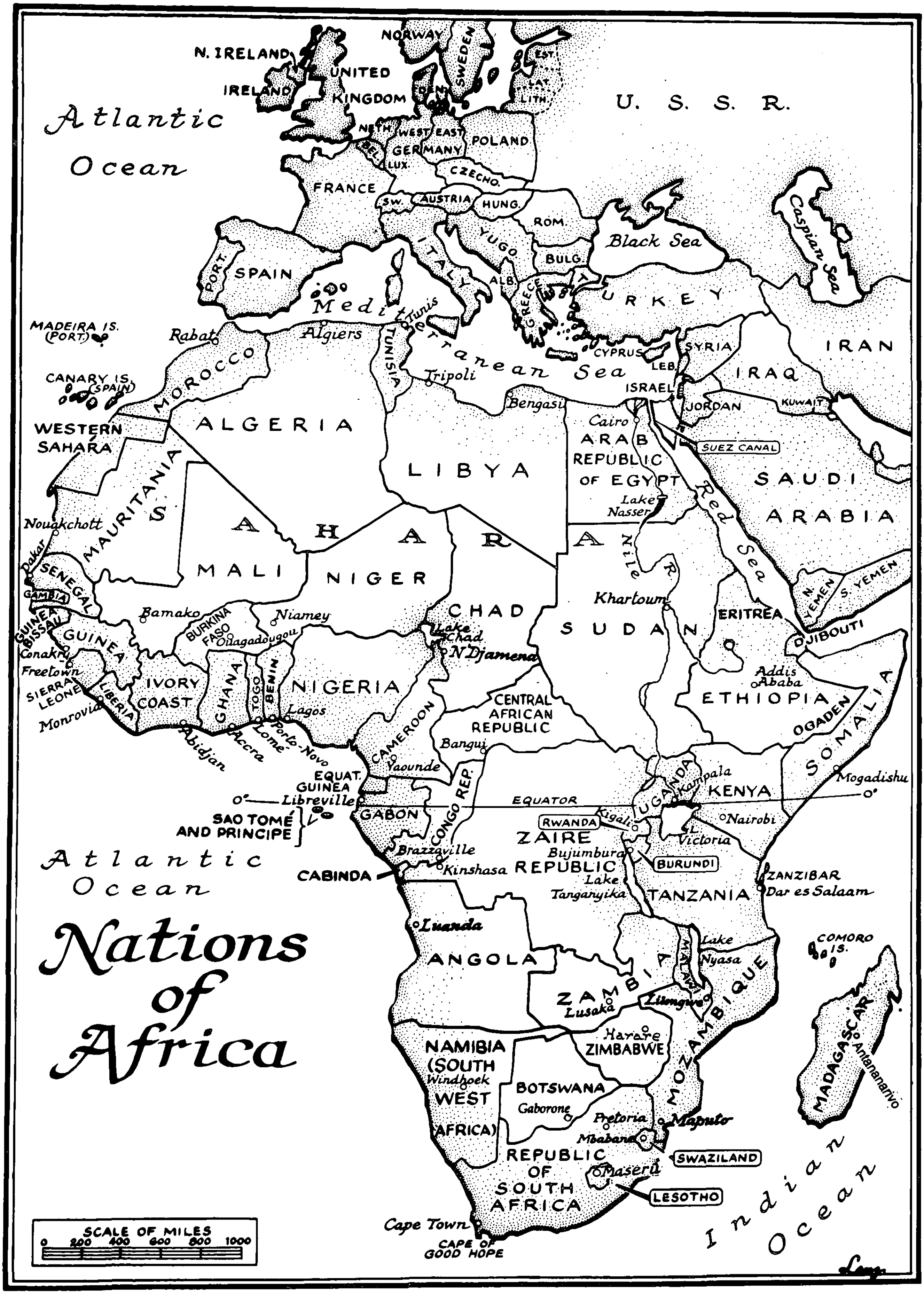
## VATICAN

(See also *Peru*)

Feb. 27—The Pope meets with Soviet Foreign Minister Andrei Gromyko to discuss the status of the Roman Catholic Church in the Soviet Union.

## YUGOSLAVIA

Feb. 4—Four dissidents are convicted of disseminating "hostile propaganda" against the state. ■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